

# COUNTY OF LOS ANGELES



## AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES

### REQUEST FOR PROPOSALS

**Issued:**

**February 19, 2003**

**Prepared by:**

**Chief Administrative Office (CAO)  
Risk Management Operations  
Delta Uyenoyama, Chief**

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
LEGAL DEFENSE MANAGEMENT SERVICES**

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**COUNTY OF LOS ANGELES**

**REQUEST FOR PROPOSALS**  
**FOR AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND**  
**LEGAL DEFENSE MANAGEMENT SERVICES**

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**KEY DATES & DEADLINES**

KEY DATES	EVENTS
February 19, 2003	RFP issued to the public
March 3, 2003	Questions due from proposers
<b>April 4, 2003</b>	<b>Proposals due by 11:00 a.m.</b>
June 10, 2003	Execute contract for Board approval
June 24, 2003	Expected County approval (award date)
July 15, 2003	Contract Start Date

**PART A:  
GENERAL INFORMATION AND INSTRUCTIONS**

1. **PURPOSE** - The purpose of this Request for Proposal (RFP) is to solicit proposals from qualified and licensed firms interested in contracting with the County of Los Angeles to provide liability claims administration and legal defense management services for auto and general liability claims and lawsuits. The successful firm shall assume responsibility for the administration of open cases and the ongoing administration of all new cases. It is the County's intent to seek quality services from a Third Party Administrator (TPA) with the goal of controlling or reducing County overall liability costs through:
- 1.1 prompt and thorough investigations of incidents, claims, and lawsuits;
  - 1.2 effective use of the settlement authority granted to resolve claims without the expense and delay of litigation;
  - 1.3 fast track claims settlement when warranted and feasible;
  - 1.4 efficient and effective communication between Contractor, County Risk Management, County departments, and defense counsel; and
  - 1.5 effective use of the County's Risk Management Information System (RMIS) for the administration, reporting and analysis of incidents, claims and lawsuits. This system is currently being implemented.

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1 The agreement with the current contractor will expire on August 14, 2003, and the final  
2 agreement developed pursuant to this RFP is subject to approval by the Los Angeles  
3 County Board of Supervisors and shall be effective the date following Board approval  
4 or July 15, 2003, whichever is later. The contract will continue for five (5) years and  
5 may be extended for two additional one-year periods upon negotiation of mutually  
6 agreeable rates and terms.

### **2. BACKGROUND**

8 2.1 The County of Los Angeles (County) is one of the nation's largest counties with  
9 over 4,083 square miles and a population exceeding 9 million residents.  
10 Created in 1850 as a political subdivision of the State, the County is governed  
11 by a five-member Board of Supervisors, responsible for the delivery of a  
12 multitude of services through a work force of approximately 80,000 employees.  
13 The County, which contains 88 cities, provides municipal-type services, such  
14 as law enforcement and fire protection, to residents of the unincorporated area  
15 of the County, and administers many State-mandated programs countywide,  
16 such as health and welfare services, judicial administration, and tax collection.

17 The County's jurisdiction includes 4,700 miles of streets, roads, and highways,  
18 700 miles of storm drains and channels, an estimated 108 parks/playgrounds,  
19 28 swimming pools, 19 golf courses, and approximately 1,800 County-  
20 occupied facilities.

21 To carry out these responsibilities, the County owns and operates a fleet of  
22 approximately 7,000 vehicles, and an estimated 12,000 employees regularly  
23 use their own vehicles in the performance of their duties.

24 2.2 The County has utilized a TPA since 1983 to provide claims administration and  
25 legal defense management services for auto and general liability claims (i.e.  
26 including but not limited to slip and falls, dangerous conditions, and general  
27 negligence). The County Contract Administrator for the TPA program is the  
28 Chief Administrative Office, Risk Management Operations Section.

29 As a general rule, matters having significant financial or political impact,  
30 performance of law enforcement or custodial activities by Sheriff personnel, or  
31 matters in which County Counsel has developed in-house expertise (inverse  
32 condemnations, alleged civil rights violations, or contested judicial actions),  
33 may be assigned to Contractor at the discretion of County Risk Manager or  
34 County Counsel on a case by case basis.

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2.3 **Claims History and TPA Workload Indicators** - Over the past five years, an annual average of 815 auto and 821 general liability claims have been referred to the Contractor for claims administration and legal defense management services. More detailed statistical and financial information concerning the volume of claims handled under the program is included in Part E, Exhibit 1 - Claims and Caseload Data. Proposers are advised to review this information carefully.

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3. **MINIMUM REQUIREMENTS TO PARTICIPATE** - Qualified agencies interested in submitting a proposal must demonstrate their ability to successfully and pro-actively administer liability claims, manage the legal defense of lawsuits, and meet the following minimum requirements:

- 3.1 Possess a valid Insurance Adjuster license issued by the State of California.
- 3.2 Have five (5) years experience with public entities in providing the services set forth in Part B, Statement of Work.
- 3.3 Have or demonstrate ability to secure qualified program managers and supervisors who are experienced in providing the services set forth in Part B, Statement of Work.
- 3.4 Demonstrate ability to retain an appropriate number of qualified and experienced claims staff and support personnel.
- 3.5 Agree to maintain a business office for County activities defined in this RFP within fifty (50) miles of the Los Angeles Civic Center, or commit to establish such an office no later than ten (10) days after the effective date of this Contract.
- 3.6 Possess business license(s) in accordance with the appropriate local jurisdiction's licensing requirements, or agree to comply with all such requirements.
- 3.7 Commit to use and support of County's Risk Information System (RMIS) outlined in Part B, Section 3.5 and 10.
- 3.8 Establish to the satisfaction of County, that no circumstances exist that would render Proposer's performance of the claims administration services illegal, impractical or infeasible by the State or County conflict of interest laws.

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3.9 Provide a list of five (5) references of current and former customers/clients, including the name and phone number of the client's claims manager or person responsible for the claims management function.

3.10 Provide a list of all current and former Los Angeles County contracts. The list shall include the County office, department or commission, the name and phone number of the County Contract Administrator, and the dates of the contract term.

3.11 Agree to comply with County's jury service program as outlined in Part A, Section 4.25.

4. **SUBMITTING PROPOSALS - GENERAL INFORMATION** - Proposers are instructed to follow the instructions when formatting and submitting their proposal. Proposers not complying with instructions may be disqualified from selection, and inadequate or otherwise non-responsive proposals may not be fully evaluated (refer also to Part A, Section 5 "Instructions for Submitting Proposal").

4.1 **Important Dates and Deadlines** - It is the sole responsibility of each agency submitting a proposal to ensure that its proposal is delivered to County by the submission deadline, **11:00 a.m. on April 4, 2003**. Each submitting agency shall bear all risks associated with any delay involving the timely delivery of its proposal.

**Proposals received after the specified deadline will be returned, unopened, to the sender and shall not be considered.**

4.2 **Contractual Relationship** - The successful Proposer will be required to enter into a contractual relationship with County for auto and general liability claims administration and legal defense management.

4.3 **Term of Contract** - The term of any final contract between County and the successful Proposer shall commence the day following Board of Supervisors approval or July 15, 2003, whichever is later, and is contingent upon approval by the Board of Supervisors. It shall remain in effect for five (5) years, unless terminated sooner as hereunder provided, and may be extended for two additional one-year periods upon mutual agreement of Contractor and County.

The contract will be monitored by County on an on-going basis, and may be terminated as set forth in Part C Sections 53 through 58, ***Sample Contract Standard Terms and Conditions***.

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4.4 **Contractor Compensation** - Proposers shall submit their bids two ways as specified below and in the format shown in Part D, Attachment 1, **Required Bid and Cost Information**. These bids shall be supported by the cost information included in the **Required Budget Sheet** as shown in Part D, Attachment 1.

4.4.1 **First Required Bid:**

A. **ANNUAL FIXED-FEE pricing:** The *Annual Fixed-Fee* bid is for the operation of a dedicated office to provide services for up to 2,100 open cases. The services to be provided include all services required by this RFP, except as stated in paragraph 4.4.1, B below. A separate bid is to be submitted for each of the five (5) contract years and a separate bid for any one-time only start-up costs.

B. **FIXED-TASK FEE pricing:** The second element of the pricing plan consists of *Fixed-Task Fee* services for cases handled if (1) the open caseload exceeds 2,100, and (2) a percentage of monies remitted to County for subrogation of non-litigated and litigated case files.

4.4.2 **Second Required Bid:**

A. **FIXED PER-CLAIM TYPE FEE pricing:** The *Fixed Per-Claim Type Fee* bid is a maximum per-case amount that will be charged for each type of claim. With separate per-case bids for incident management and for litigation management.

4.4.3 County has the right to re-negotiate contract costs consistent with agreed upon changes in Contractor's staffing, changes in any of the expense items, or because of changes in the level of County's caseload.

4.4.4 Contractor selected through this RFP will be solely responsible for providing payment to those who furnish services under this contract, including all legally required compensation, wages, withholding and other employee benefits. County shall have no responsibility for the direct or indirect payment of any compensation, wages, withholding or any other employee benefit to or on behalf of any individual furnishing services under the final contract.

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4.4.5 Payment of the **Annual Fixed-Fee** will be paid quarterly in advance for services to be performed and will be one-fourth of the flat annual fee amount. Payment for **Fixed-Task Fee** services will be paid in arrears for services performed. Payment of the **Fixed Per-Claim Type Fee** will be paid in arrears for services performed. Payment for services will be made within thirty (30) days following approval of invoice by County Contract Administrator.

4.5 **Contact Regarding This Solicitation** - Proposers are prohibited from contacting County personnel in reference to this RFP or in regard to any matter related thereto except as otherwise noted in this RFP.

In the event contact regarding this RFP or any related matter, is deemed necessary, it must be in writing and directed to:

County of Los Angeles  
Chief Administrative Office  
3333 Wilshire Blvd., Room 820  
Los Angeles, California 90010  
Attention: Mr. Delta Uyenoyama

**or Fax to**

Fax # (213) 252-0405  
Attention: Mr. Delta Uyenoyama

4.6 **Questions** - Any questions regarding this RFP must be submitted in writing no later than **March 3, 2003**, to Mr. Delta Uyenoyama at the address listed in Section 4.5 above.

County reserves the right to respond only to reasonable and relevant questions. Questions submitted and their responses will be distributed to all vendors who have obtained a copy of the RFP. No reference will be made to the source of the questions submitted.

4.7 **Cost of Proposals** - County shall not in any way be liable or responsible for any costs incurred in connection with the preparation or presentation of any materials or proposals in response to this RFP.

4.8 **Proposal Withdrawals** - All proposals shall be firm offers and may not be withdrawn for a period of one hundred eighty (180) days following the last day to submit proposals.

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1           4.9    **Formal Solicitation** - Notwithstanding any other provision of this RFP,  
2                   Proposers are hereby advised that this RFP is a formal solicitation for  
3                   proposals only and is not intended to be construed as an offer to enter into any  
4                   contract or other agreement.

5           4.10 **Formal Board Approval for Contract** - Acceptance of a proposal or its  
6                   recommendation does not constitute the formation of a contract. A contract can  
7                   be created only by formal approval and adoption by the Board of Supervisors  
8                   and subsequent execution according to law.

9                   Notwithstanding a recommendation of a department, agency, individual or  
10                  other, the Board of Supervisors retains the right to exercise its judgment  
11                  concerning the selection of a proposal and the terms of any resultant  
12                  agreement, and to determine which proposal best serves the interests of  
13                  County. **The Board of Supervisors is the ultimate decision making body**  
14                  **and makes the final determinations necessary to arrive at a decision to**  
15                  **award, or not award, a contract.**

16          4.11 **Non-Exclusive Contract** - Any contract awarded as a result of this solicitation  
17                  will not be an exclusive contract. County reserves the right to contract with other  
18                  agencies for the same or similar services.

19          4.12 **Interpretation of RFP and Subsequent Addenda** - County, at its sole  
20                  discretion, may interpret or change any provision of this RFP any time prior to  
21                  the proposal due date. Any such interpretation or change shall be in the form  
22                  of a written addendum to this RFP. Such an addendum shall become a part of  
23                  this RFP and may also be part of any final contract. The addendum shall be  
24                  made available to each entity which, according to County records, was issued  
25                  an RFP. Should such an addendum require additional information not  
26                  previously requested, a Proposer's failure to address or respond to the  
27                  addendum's requirements within the proposal submitted may result in that  
28                  proposal not being considered, at the sole discretion of County. County may  
29                  also extend, at its sole discretion, the deadline for the submission of proposals,  
30                  in which case the relevant addendum will indicate the new proposal due date.

31          4.13 **Changes to the RFP by Proposers** - Proposers may not make any changes  
32                  to the terms and/or conditions of this RFP. A proposal containing conditions or  
33                  limitations introduced by the Proposer may be deemed non-responsive, and  
34                  may result in the proposal not being considered, at the sole discretion of  
35                  County. However, a request for change(s) pursuant to the **Sample Contract -**

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1                   **Standard Terms and Conditions** set forth in Part C of this RFP will not render  
2                   a proposal non-responsive; but County may reject the proposal and changes  
3                   if mutually acceptable language can not be negotiated.

4           4.14   **Determination of Proposer Responsibility** - A responsible Proposer is a  
5           Proposer who has demonstrated the attribute of trustworthiness, as well as  
6           quality, fitness, capacity and experience to satisfactorily perform the contract.  
7           It is County's policy to conduct business only with responsible contractors.

8                   4.14.1   Proposers are hereby notified that, in accordance with Chapter  
9                               2.202 of the County Code, County may determine whether the  
10                              Proposer is responsible based on a review of the Proposer's  
11                              performance on any contracts, including but not limited to County  
12                              contracts. Particular attention will be given to violations of labor laws  
13                              related to employee compensation and benefits, and evidence of  
14                              false claims made by the Proposer against public entities. Labor  
15                              law violations which are the fault of subcontractors and of which the  
16                              Proposer had no knowledge shall not be the basis of a  
17                              determination that the Proposer is not responsible.

18                  4.14.2   County may declare a Proposer to be non-responsible for purposes  
19                               of this contract if the Board of Supervisors, in its discretion, finds that  
20                               the Proposer has done any of the following: (1) committed any act or  
21                               omission which negatively reflects on the Proposer's quality, fitness  
22                               or capacity to perform this contract with County or a contract with any  
23                               other public entity, or engaged in a pattern or practice which  
24                               negatively reflects on same, (2) committed an act or omission which  
25                               indicates a lack of business integrity or business honesty, or (3)  
26                               made or submitted a false claim against County or any other public  
27                               entity.

28                  4.14.3   If there is evidence that the apparent highest ranked Proposer may  
29                               not be responsible, the Department shall notify the Proposer in  
30                               writing of the evidence relating to the Proposer's responsibility, and  
31                               its intention to recommend to the Board of Supervisors that the  
32                               Proposer be found not responsible. The Department shall provide  
33                               the Proposer and/or the Proposer's representative with an  
34                               opportunity to present evidence as to why the Proposer should be  
35                               found to be responsible and to rebut evidence which is the basis for  
36                               the Department's recommendation. If the Proposer fails to avail

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1                               itself of the opportunity to rebut the Department's evidence, the  
2                               Bidder may be deemed to have waived all rights of appeal.

3                   4.14.4    If the Proposer presents evidence in rebuttal to the Department, the  
4                               Department shall evaluate the merits of such evidence, and based  
5                               on that evaluation, make a recommendation to the Board of  
6                               Supervisors. The final decision concerning the responsibility of the  
7                               Proposer shall reside with the Board of Supervisors.

8                   4.14.5    These terms shall also apply to proposed subcontractors of  
9                               Proposers on County contracts.

10           4.15   **Proposer Debarment** - The Proposer is hereby notified that, in accordance  
11                               with Chapter 2.202 of the County Code, County may debar the Proposer from  
12                               bidding on other County contracts for a specified period of time, not to exceed  
13                               three years, and County may terminate any or all of the Proposer's existing  
14                               contracts with County, if the Board of Supervisors finds, in its discretion, that the  
15                               Proposer has done any of the following: (1) violated any term of a contract with  
16                               County, (2) committed any act or omission which negatively reflects on the  
17                               Proposer's quality, fitness or capacity to perform a contract with County or any  
18                               other public entity, or engaged in a pattern or practice which negatively reflects  
19                               on same, (3) committed an act or offense which indicates a lack of business  
20                               integrity or business honesty, or (4) made or submitted a false claim against  
21                               County or any other public entity.

22                   4.15.1    If there is evidence that the apparent highest ranked Proposer may  
23                               be subject to debarment, the Department shall notify the Proposer  
24                               in writing of the evidence which is the basis for the proposed  
25                               debarment, and shall advise the Proposer of the scheduled date for  
26                               a debarment hearing before Contractor Hearing Board.

27                   4.15.2    The Contractor Hearing Board shall conduct a hearing where  
28                               evidence on the proposed debarment is presented. The Proposer  
29                               and/or the Proposer's representative shall be given an opportunity  
30                               to submit evidence at that hearing. After the hearing, the Contractor  
31                               Hearing Board shall prepare a proposed decision, which shall  
32                               contain a recommendation regarding whether the Proposer should  
33                               be debarred, and, if so, the appropriate length of time of the  
34                               debarment. If the Proposer fails to avail itself of the opportunity to  
35                               submit evidence to the Contractor Hearing Board, the Proposer may  
36                               be deemed to have waived all rights of appeal.

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1           4.15.3   A record of the hearing, the proposed decision and any other  
2                   recommendation of the Contractor Hearing Board shall be  
3                   presented to the Board of Supervisors. The Board of Supervisors  
4                   shall have the right to modify, deny or adopt the proposed decision  
5                   and recommendation of the hearing Board.

6           4.15.4   These terms shall also apply to proposed subcontractors of  
7                   Proposers on County contracts.

8           4.16   **Contractor's Obligations as a "Business Associate" Under HIPAA** - The  
9                   proposer is hereby notified that the performance of Contractor's obligations  
10                  under this Contract could require Contractor's receipt of or access to Health  
11                  Information. County is subject to the Administrative Simplification requirements  
12                  of the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and  
13                  regulations promulgated thereunder, including the Standards for Privacy of  
14                  Individually Identifiable Health Information at 45 Code of Federal Regulations  
15                  ("C.F.R.") Parts 160 and 164 ("Privacy Regulations"). The Privacy Regulations  
16                  require County to enter into a contract with Contractor, in its role as a "business  
17                  associate" under the Privacy Regulations, in order to mandate certain  
18                  protections for the privacy and security of Health Information. The provisions of  
19                  Part C, Section 61 set forth the obligations of Contractor as a "business  
20                  associate" under the Privacy Regulations.

21          4.17   **Acceptance of Terms and Conditions** - Proposers understand and agree  
22                  that submission of a proposal constitutes acknowledgment and acceptance of,  
23                  and a willingness to comply with, all of the terms and conditions contained in  
24                  this RFP. Further, as pertains to, Part C, Sample Contract - Standard Terms  
25                  **and Conditions** of this RFP, the terms and conditions stated therein will be  
26                  included in any final contract. Proposers will be deemed to have accepted  
27                  those terms and conditions unless specific changes are requested in the  
28                  proposal submitted and accepted by County.

29          4.18   **Truth and Accuracy of Representations** - Any false, incomplete or  
30                  unresponsive statement(s) within a proposal may be cause for its rejection. The  
31                  evaluation and determination of the truth and/or accuracy of the representations  
32                  contained within a proposal will be at the sole judgement of County, and such  
33                  decision will be final.

34          4.19   **Contact With County Employees Prohibited** - From the issue date of this  
35                  RFP to the deadline for the submission of proposals, all County personnel are

## **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

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specifically directed not to hold meetings, conferences or technical discussions pertaining to this RFP with any prospective Proposers. Requests for contacts and meetings with Proposer personnel during this period must be made in writing, as previously indicated in Section 4.5 of this Part A. Any Proposer, who in the judgement of County, is found to be acting contrary to this directive will be disqualified from entering into any contract that may result from this RFP.

4.20 **Gratuities** - It is improper for any County officer, employee or agent to solicit consideration, in any form, from a Proposer with the implication, suggestion or statement that the Proposer's provision of the consideration may secure more favorable treatment for the Proposer in the award of the contract or that the Proposer's failure to provide such consideration may negatively affect County's consideration of the Proposer's submission. A Proposer shall not offer or give, either directly or through an intermediary, consideration, in any form, to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of the contract.

A Proposer shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such a solicitation may result in the Proposer's submission being eliminated from consideration.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

4.21 **Rejection of Proposals** - County may, at its sole discretion, reject any or all proposals submitted in response to this RFP. In the event a proposal is rejected, County will not be liable for any costs incurred in connection with the preparation and submittal of that or any other proposal. All proposals must be signed by a person(s) authorized to bind the Proposer to a contract, such as the officer of a corporation or a general partner of a partnership; otherwise, the proposal shall be rejected as irregular and unauthorized. Only one proposal per individual, agency or co-partnership, corporation or association under the same or different names shall be considered. If there is reason to believe that collusion exists among Proposers, the Proposers involved will be deemed disqualified from this solicitation and may be excluded from future RFP solicitations.

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1           4.22 **Notice to Proposers Regarding the Public Records Act** - Responses to  
2 this RFP become the exclusive property of County. At such time as the Chief  
3 Administrative Office recommends Proposer to the Board of Supervisors  
4 (Board) and such recommendation appears on the Board agenda, all such  
5 proposals submitted in response to this RFP, become a matter of public  
6 record, with the exception those parts in each proposal which are defined by the  
7 Proposer as business or trade secrets, and plainly marked as "Trade Secret",  
8 "Confidential" or "Proprietary".

9 County shall not in any way be liable or responsible for the disclosure of any  
10 such records or parts thereof, if disclosure is required or permitted under the  
11 California Public Records Act or otherwise by law. A blanket statement of  
12 confidentiality or the marking of each page of the proposal as confidential shall  
13 not be deemed sufficient notice of exception. The Proposer(s) must specifically  
14 label only those provisions of the proposal which are "Trade Secrets,"  
15 "Confidential," or "Proprietary" in nature.

16           4.23 **Recycled Bond Paper** - Selected Proposer shall be required to comply with  
17 County's policy on recycled paper as specified in the **Sample Contract, Part**  
18 **C, Section 50.**

19           4.24 **Consideration of GAIN and GROW Participants for Employment** - Should  
20 contractor require additional or replacement personnel after the effective date  
21 of this Contract, contractor shall give consideration for any such employment  
22 openings to participants in the County's Department of Public Social Services'  
23 Greater Avenues for Independence (GAIN) Program or General Relief  
24 Opportunities for Work (GROW) Program who meet contractor's minimum  
25 qualifications for the open position. County will refer GAIN/GROW participants,  
26 by job category, to contractor.

27           4.25 **Jury Service Program** - The prospective contract is subject to the  
28 requirements of the County's Contractor Employee Jury Service Ordinance  
29 ("Jury Service Program") (Los Angeles County Code, Chapter 2.203).  
30 Prospective contractors should carefully read the Jury Service Program (See  
31 County Code Chapter 2.203 at internet website  
32 <http://ordlink.com/codes/lacounty/index.htm> or call (213) 974-1109 and request  
33 a copy), and the pertinent jury service provisions of the **Sample Contract, Part**  
34 **C, Section 39,** both of which are incorporated by reference into and made a  
35 part of this RFP. The Jury Service Program applies to both contractors and  
36 their subcontractors. Proposals that fail to comply with the requirements of the

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1           Jury Service Program will be considered non-responsive and excluded from  
2           further consideration.

3           4.25.1   The Jury Service Program requires contractors and their  
4                   subcontractors to have and adhere to a written policy that provides  
5                   that its employees shall receive from Contractor, on an annual basis,  
6                   no less than five days of regular pay for actual jury service. The  
7                   policy may provide that employees deposit any fees received for  
8                   such jury service with Contractor or that Contractor deduct from the  
9                   employee's regular pay the fees received for jury service. For  
10                  purposes of the Jury Service Program, "employee" means any  
11                  California resident who is a full-time employee of a contractor and  
12                  "full time" means 40 hours or more worked per week, or a lesser  
13                  number of hours if: 1) the lesser number is a recognized industry  
14                  standard as determined by County, or 2) Contractor has a long-  
15                  standing practice that defines the lesser number of hours as full time.  
16                  Therefore, the Jury Service Program applies to all of a contractor's  
17                  full-time California employees, even those not working specifically on  
18                  the County project. Full-time employees providing short-term,  
19                  temporary services of 90 days or less within a 12-month period are  
20                  not considered full-time for purposes of the Jury Service Program.

21           4.25.2   There are two ways in which a contractor might not be subject to the  
22                   Jury Service Program. The first is if Contractor does not fall within  
23                   the Jury Service Program's definition of "contractor." The Program  
24                   defines "contractor" to mean a person, partnership, corporation or  
25                   other entity which has a contract with County or a subcontract with a  
26                   County contractor and has received or will receive an aggregate sum  
27                   of \$50,000 or more in any 12-month period under one or more  
28                   County contracts or subcontracts. The second is if Contractor meets  
29                   one of the two exceptions to the Jury Service Program. The first  
30                   exception concerns small businesses and applies to contractors that  
31                   have: 1) ten or fewer employees; and, 2) annual gross revenues in  
32                   the preceding twelve months which, if added to the annual amount of  
33                   this contract is less than \$500,000; and, 3) is not an "affiliate or  
34                   subsidiary of a business dominant in its field of operation". The  
35                   second exception applies to contractors that possess a collective  
36                   bargaining agreement that expressly supersedes the provisions of  
37                   the Jury Service Program. Contractor is subject to any provision of  
38                   the Jury Service Program not expressly superseded by the collective  
39                   bargaining agreement.

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4.25.3 If a contractor does not fall within the Jury Service Program's definition of "Contractor" or if it meets any of the exceptions to the Jury Service Program, then Contractor must so indicate in the ***Application for Exception and Certification Form*** (See Part D, Attachment 11) and include with its submission all necessary documentation to support the claim such as tax returns or a collective bargaining agreement, if applicable. Upon reviewing Contractor's application, County will determine, in its sole discretion, whether Contractor falls within the definition of Contractor or meets any of the exceptions to the Jury Service Program. County's decision will be final.

5. **INSTRUCTIONS FOR SUBMITTING PROPOSAL** - Responses to this RFP must be made according to the instructions contained in this Section, both for content and sequence. Any proposal containing conditions or limitations introduced by the Proposer may be deemed non-responsive and may be rejected by County. However, a request for change(s) pursuant to the ***Sample Contract Standard Terms and Conditions*** set forth in, Part C, of this RFP will not render a proposal non-responsive; but County may reject the proposal or the changes if mutually acceptable language can not be negotiated.

**Proposers shall submit and deliver:**

5.1 Twelve (12) copies of their proposal, including at least one reproducible copy, to:

Risk Management Operations  
Chief Administrative Office  
3333 Wilshire Blvd., Room 820  
Los Angeles, California 90010  
Attention: Delta Uyenoyama, Chief

Each proposal must be typewritten, securely bound, and in a sealed package. All proposals shall be firm offers and may not be withdrawn for a period of 180 days.

**County will take no responsibility for the receipt or handling of any proposal that is mailed. The last date on which proposals will be accepted is Friday, April 4, 2003, at no later than 11:00 a.m. on that date.**

Proposals must be based on the provision of services for all existing claims as well as all new claims reported during the contract period. County may consider an alternate proposal which a Proposer may wish to include as set forth in Part A, Section 6.9.

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Such an alternate proposal must be submitted along with a standard proposal or the alternate proposal will be considered non-responsive.

**6. CONTENT AND SEQUENCE OF PROPOSALS** - The following is the required content and sequence for all proposals:

**6.1 Cover Letter - PART 1** shall be a maximum two page "**Cover Letter**" with an introduction, including the name and address of the organization submitting the proposal, as well as the name, address and telephone number of the contact person(s) who will be authorized to make presentations for the Proposer, and the name, address and telephone number of the person(s) authorized to bind the contract.

**6.2 Table of Contents - PART 2** shall be entitled "**Table of Contents**", and shall include a detailed outline of the material, identified by sequential page number and by section reference number including, but not limited to, the headings described in this Section 6, as pertains to the overall proposal format.

**6.3 Acceptance of Terms and Conditions - PART 3** shall be entitled "**Acceptance of Terms and Conditions**", and shall include a statement affirming the Proposer's acceptance of all the terms and conditions set forth in this RFP and any addenda. Proposed changes to County's **Sample Contract - Standard Terms and Conditions** as specified in Part C, Sample Contract, must be clearly noted.

**6.4 Contractor Fees - PART 4** shall be entitled "**Contractor Fees.**" This section shall contain the pricing in the formats shown in Part D, Attachment 1.

Fees for any optional service enhancements or exceptions must be also listed on the **Contractor Fees** form. County reserves the right to request any or all proposers to submit fees based on a specific method of calculation after County's review of the proposals.

**6.5 Work Plan - PART 5** shall be entitled "**Work Plan**" and shall include a detailed statement describing the work to be performed in each of the major sections listed in this RFP. The following subjects must be included in the Proposer's "Work Plan":

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1                   6.5.1       A general statement of how the Proposer plans to administer the  
2                               County's auto and general liability incident, claims, and lawsuit  
3                               administration program. This section will include a complete  
4                               descriptive summary of the services provided by the Proposer  
5                               relative to the **Statement of Work, Part B** of this RFP. This section  
6                               may include a brief summary statement indicating how this proposal  
7                               will be of benefit to County.

8                   6.5.2       A Staffing Plan which demonstrates that Proposer is adequately  
9                               staffed and trained to provide the required services, and that the  
10                              Proposer has the capability to recruit and retain such staff. The  
11                              Staffing Plan shall include the supervisor to adjuster ratio. As part of  
12                              the Staffing Plan the Proposer shall include the percentage of staff  
13                              turnover for management, supervisory and adjuster staff for the last  
14                              three (3) years, and Proposers shall submit an organizational  
15                              diagram showing each position, and the following information for  
16                              each position:

17                            A. Responsibilities of the position.

18                            B. Academic background and degrees.

19                            C. Required type of work experience and the number of years of  
20                              required work experience.

21                            D. Required licenses, certifications, registrations, as well as any  
22                              applicable professional affiliations, and memberships.

23                   6.5.3       The location of the proposed office where County claims will be  
24                               administered. The proposed office must be within fifty (50) miles of  
25                               the Los Angeles Civic Center.

26                   6.5.4       A complete description and/or samples of all reports to be provided  
27                               to County as indicated in Part B, Section 20, **Contractor Reports**  
28                               and Part E, Exhibit 12. An explanation of the purpose and use of any  
29                               additional reports the Proposer can supply should also be included  
30                               for County's consideration.

31                   6.5.5       A detailed description of the Proposer's Local Area Network (LAN),  
32                               and computer equipment as required by Part B, Section 10,  
33                               **Information Management** (Also Part E, Exhibit 9

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*RiskVisionNET™ Risk Management Information System*  
describes County's RMIS and its requirements.)

6.6 **Corporate Capability - PART 6** shall be entitled "**Corporate Capability**" and shall include a description of the relevant background experience of the organization submitting the proposal as a corporate or other entity, including adequate documentation on the financial status of the organization. The following must be included:

6.6.1 Whether the organization is a proprietorship, partnership, corporation, joint venture, for profit or non-profit. If the organization is a joint venture, indicate the name and type of organization of each person or organization that is a member of the joint venture.

6.6.2 The names of those individuals holding five percent (5%) or more interest if the Proposer is a for-profit organization.

6.6.3 A list of the officers and the Board of Directors, if the organization is a corporation. If the organization is a partnership, provide the names of each general partner.

6.6.4 The location of the main office and the local office(s) in Southern California.

6.6.5 A description of services performed by the organization, including, but not limited to, relevant agency history and organizational structure.

6.6.6 A listing of current and previous major public or private sector contracts, including all contracts with Los Angeles County, over the last five (5) years, and the reason(s) for any terminated contracts.

6.6.7 A list of five (5) references of current and former customers/clients, for which Proposer provided similar services. Include name and phone number of client's claims manager or person responsible for claims management function.

6.6.8 Financial statements audited by a Certified Public Accountant for the past three (3) years. The information should indicate that the organization can carry all administrative costs for at least a ninety (90) day period at any time during the contract term. The following items should be attached or included with the financial statements:

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1 A. Balance sheet; Income statement; Cash flow statement; Aging of  
2 accounts receivable schedule and lines of credit.

3 B. Licenses, certificates and registrations, as appropriate  
4 (business, facility, professional, fire clearance, zoning  
5 compliance certifications, etc.).

6 C. Evidence of insurance coverage.

7 D. Any existing or potential litigation which would have a material  
8 effect on the Proposer's financial condition.

9 6.7 **Quality Control - PART 7** shall be entitled "**Quality Control**." The following,  
10 which is intended to ensure that services performed are satisfactory and are in  
11 compliance with contract requirements, should be covered:

12 6.7.1 Establishment and maintenance of a Quality Control Plan that meets  
13 the requirements of the contract (see Part B, Section 22),

14 6.7.2 Description of the method for the identification and correction of  
15 deficiencies or unauthorized activities.

16 6.8 **Required Forms and Certifications - PART 8** must be entitled "**Required**  
17 **Forms and Certifications**" and contain the following forms and statements,  
18 signed/dated where applicable:

19 6.8.1 Proposers must provide all the information needed to complete the  
20 **Employee Benefits** form, Part D, Attachment 1.

21 6.8.2 Proposers must complete and submit **Invitation for Bid/ Request**  
22 **for Proposals Grounds for Rejection**, Part D, Attachment 3.

23 6.8.3 Proposers must provide a statement that the Proposer agrees to the  
24 confidentiality requirements contained in this RFP and prior to  
25 beginning services under this contract would ensure that the  
26 **Contractor/Employee Acknowledgment and Confidentiality**  
27 **Agreement**, Part D, Attachment 4, will be signed by all of  
28 Contractor's staff who work under this contract.

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6.8.4 Proposers must complete and submit ***Bidder's/Offerer's EEO Certification***, Part D, Attachment 5.

6.8.5 Proposers must complete and submit a ***Los Angeles County Community Business Enterprise (CBE)*** form provided in Part D, Attachment 6. This information is requested for statistical reporting purposes only. Proposers are encouraged to qualify as or be affiliated with a Minority/Women/Disabled Business Enterprise and be certified by the County's Office of Affirmative Action Compliance (information available at website <http://oaac.co.la.ca.us/WomMin.html> ).

Los Angeles County is committed to actively encourage and promote participation of all business concerns in its private sector contracting activities. In support of this commitment, the Los Angeles County Directory of Certified Minority, Women, Disadvantaged & Disabled Veterans Business Enterprises was created in an effort to maximize opportunities for minorities, women, disadvantaged and disabled veteran business enterprises. The vendor selected through this solicitation is encouraged to utilize the services of those entities listed in the resource directory, as appropriate.

6.8.6 Proposers must complete and submit a ***Familiarity of The County Lobbyist Ordinance Certification***, Part D, Attachment 7. The Board of Supervisors of the County of Los Angeles has enacted an ordinance regulating the activities of persons who lobby County officials. This ordinance, referred to as the "Lobbyist Ordinance", defines a County Lobbyist and imposes certain registration requirements upon individuals meeting the definition. The complete text of the ordinance can be found in County Code Chapter 2.160 (available at website <http://ordlink.com/codes/lacounty/index.htm>). In effect, each person, corporation or other entity that seeks a County permit, license, franchise or contract must certify compliance with the ordinance. As part of this solicitation process, it will be the responsibility of each Proposer to review the ordinance independently as the text of said ordinance is not contained within this RFP. Thereafter, each person, corporation or other entity submitting a response to this solicitation, just certify that each County Lobbyist, as defined by Los Angeles County Code Section 2.160.010, retained by the Proposer is in full compliance with Chapter 2.160 of the Los Angeles County Code by completing and

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submitting the ***Familiarity of The County Lobbyist Ordinance Certification*** as set forth in Part D, Attachment 7.

6.8.7 Proposers must submit certifications to the Chief Administrative Office and to the Child Support Services Department (CSSD), in accordance with the provisions of County Code Section 2.200.060. Such certifications (also available at website <http://cscp.da.co.la.ca.us/>) are submitted as follows:

A. Separately to the Child Support Services Department (CSSD) a completed ***Principal Owner Information Form*** (POI Form). The POI Form (see Part D, Attachment 8a) must be appropriately completed and provided to the CSSD with respect to the Contractor's Principal Owners.

B. To the Chief Administrative Office with the proposal a completed ***Child Support Compliance Program Certification*** (CSCP Certification, see Part D, Attachment 8b). The CSCP Certification certifies that the Vendor has:

(1) submitted a completed POI Form to the Child Support Services Department with respect to the Vendor's Principal Owners;

(2) fully complied with all applicable State and Federal reporting requirements relating to employment reporting for its employees; and

(3) fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment and will continue to maintain compliance.

Failure of Vendor to submit the ***CSCP Certification*** (which includes certification that the ***POI Form*** has been submitted to the CSSD) with the proposal and a copy to CSSD shall be grounds for a finding that the proposal is non-responsive (County Code Section 2.200.070).

6.8.8 Proposers must submit **one** of the following:

A. A statement by the Proposer that any resultant contract shall be in compliance with the Los Angeles County Code, Section 2.121.250 and shall consist of the completed and signed,

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***Certification of "No Conflict of Interest"***, Part D, Attachment 9; or

B. An identification of all persons whose association with the Proposer could result in non-compliance with such provisions, and description of the special circumstances which, the Proposer believes, justify exempting the contract from such provision. Also a list of all County employees who are also employees, officers, members, directors or principals of the Proposer or otherwise affiliated with the Proposer. The list shall identify each such individual by name, specify the nature of the individual's affiliation with the Proposer, and describe the role, if any, the individual will have in providing services under a resultant contract.

6.8.9 As a threshold requirement for consideration for contract award, Proposers shall demonstrate a proven record of hiring GAIN/GROW participants or shall attest to a willingness to consider GAIN/GROW participants for any future employment opening if they meet the minimum qualifications for that opening. Additionally, Bidders/Proposers shall attest to a willingness to provide employed GAIN/GROW participants access to the Bidders'/Proposers' employee mentoring program, if available, to assist these individuals in obtaining permanent employment and/or promotional opportunities. Bidders/Proposers who are unable to meet this requirement shall not be considered for this award. Proposers shall complete and return the form, "***Attestation of Willingness to Consider GAIN/GROW Participants***," Part D, Attachment 10, hereunder, with their proposal.

6.8.10 Proposer must complete and submit with their proposal the "***Application for Exception and Certification Form for the Jury Service Program***", Part D, Attachment 11. If a Proposer believes that it does not fall within the Jury Service Program's definition of Contractor or that it meets either of the other exceptions stated in Part A, Section 4.26.2 of this RFP, then the Proposer must complete and submit with their proposal to County, the "***Application for Exception and Certification Form*** for the Jury Service Program, as set forth in Part D, Attachment 11, including all necessary documentation to support the claim.

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6.9 **Alternate Proposal(s) and/or Additional Data** - **PART 9** shall be entitled "**Alternate Proposals and/or Additional Data**" and if an alternate proposal is being submitted, that alternate proposal shall be included in this PART 9. PART 9 shall also include any additional data that the Proposer deems essential to the evaluation of the proposal.

If there are no alternate proposals or additional data, this part will consist of the statement, "*No alternate proposal or additional data is being presented as part of this proposal.*"

6.10 **Last Page of the Proposal** - **PART 10** shall be the last page of the proposal and shall include the signature(s) of the person(s) authorized to bind the Proposer to a contract, and a certification that the prices quoted in the proposal were arrived at independently, without consultation, communication or agreement with any other Proposer or competitor, for the purpose of restricting competition. A sample of this page can be found in Part D, Attachment 2, ***Presentations and Certifications***.

7. **SELECTION PROCESS AND EVALUATION CRITERIA** - County reserves the sole right to evaluate the contents of the proposals submitted and select one or more successful proposals, if any.

7.1 **Determination of Capacity/Responsibility** - A reasonable inquiry to determine the capability and responsibility of a Proposer may be conducted. The failure of a Proposer to promptly supply information in connection with such inquiry, including but not limited to information regarding past performance, financial stability, and ability to perform on schedule, may be grounds to exclude the respective Proposer from further evaluation and consideration in the selection process.

7.2 **Evaluation Criteria** - Proposals will be rated solely on the information received and therefore, Proposers are instructed to submit comprehensive and thorough responses. An evaluation committee will rate each proposal based on the criteria listed below. The weights to be given to each category are indicated in parentheses. The evaluation process is specified below.

Selection of the successful Proposer will be based on optimal cost-effectiveness, and not the lowest cost proposal.

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7.2.1 **Contract Rate/Cost (25%):** The contract fee/cost must reflect and include all of the services described in Part B, **Statement of Work**.

7.2.2 **Proposer's Work Plan (30%):** The extent and degree to which proposal is responsive to County's RFP, including Proposer's ability to provide all of the following:

A. Staffing - Evaluation of management and supervisory staff based on:

- (1) the ratio of claims supervisory personnel to claim staff based on caseload design and distribution;
- (2) the duties and responsibilities of supervisory personnel for all tasks and components of this project;
- (3) the overall strength of the Proposer's minimum requirements for education, training, prior employment for the Proposer's management and supervisory personnel who will be assigned to this program.

B. The number and quality of claim and support personnel will be evaluated based on:

- (a) the distribution of workload to incident/claim/lawsuit staff;
- (2) the minimum qualifications (education, claims administration, and defense management experience) for various positions assigned to administer County claims;
- (3) the recruiting and training plans for additional personnel needed for handling County claims;
- (4) the number and minimum qualifications of support personnel exclusively assigned to assist in the administration of County claims; and
- (5) the number and minimum qualifications of personnel needed to maintain Contractor's Local Area Network,

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and to generate scheduled and ad hoc reports from  
County's Risk Management Information System (RMIS).

C. Capacity of Local Area Network and Support of County's Risk  
Management Information System (RMIS) - Evaluation of  
Proposer's plan to fully utilize County's RMIS in providing  
services to County (Part B, Section 13 and Part E, Exhibit 11,)  
and the capacity of Proposer's Local Area Network and  
computer hardware, to:

(1) support the fiscal and service requirements of the  
contract, and

(2) connect with County's Wide Area Network based on  
satisfying the minimum requirements indicated in Part  
B, Section 1 and Part E, Exhibit 11.

**7.2.3 Proposer's Experience and Capability (30%):** Demonstrated  
experience in providing the same or similar services, and the  
demonstrated capability to adequately finance and perform the  
required services.

A. Claims Management Services - Proposer's demonstrated  
competence and expertise in claims administration, legal  
defense management, subrogation and risk management  
services for auto and general liability claims. Proposer's  
experience in providing these services to governmental  
entities and other clients similar to the County of Los Angeles.

B. Corporate Capability - Organizational structure and financial  
strength of the Proposer, as evidenced by financial reports  
and information required in Part A, Section 6.6. The decision-  
making authority of the proposed management team and their  
access and accountability to the agency.

**7.2.4 Quality Control Plan (15%):** Demonstrated ability and  
willingness to establish and maintain a comprehensive quality  
control plan to assure that services meet or exceed the  
requirements of the Contract. This should include but not be  
limited to, an identified inspection system covering all services  
listed in the Part B, **Statement of Work**, and specifying methods

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for identifying, correcting, and preventing deficiencies, to ensure the quality of services.

**7.3 Evaluation Process** - The evaluation process shall consist of two separate phases, during which qualifying proposals will be evaluated by Evaluation Committees consisting of representatives from County departments. County may also use the services of appropriate consultants to assist in the evaluation process.

**7.3.1 The First Phase** (Pass/Fail) shall be a review of each proposal to determine if the Proposer has:

A. Met the Minimum Requirements to Participate, as outlined in Part A, Section 3.

B. Adhered to the format outlined in Part A, Section 6.

**Each proposal must meet the above pass/fail criteria in order to be considered for further evaluation (Second Phase).**

**7.3.2 Second Phase** shall consist of:

A. An evaluation of the Proposer's proposal, based on the evaluation criteria described in Part A, Section 7.2. The individual numerical score of each category will be totaled for each proposal, and the Phase Two Evaluation Committee will then rank all of the proposals submitted from the highest to the lowest score.

B. The Proposers with the top three highest ranking proposals may be invited to make an oral and/or written presentation to the Phase Two Evaluation Committee as may be scheduled by County. The purpose of the oral interview is to obtain any necessary clarification of the content of proposals and for any additional information deemed necessary by the Evaluation Committee. The Phase Two Evaluation Committee may also visit the Proposers' existing service location(s). County may also ask for additional information regarding each Proposer's method of calculating proposed fees.

C. If oral interviews are conducted, the Phase Two Evaluation Committee may make adjustments as appropriate or

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1 necessary in the proposal scoring based on the same  
2 evaluation criteria described in Part A, Section 7.2.

3 D. The Proposer with the highest score shall be the first  
4 contractor recommended for selection by the Evaluation  
5 Committee. The Proposer with the second highest score shall  
6 be the second contractor recommended for selection. County  
7 retains the right to select more than one contractor if it is  
8 deemed to be in the best interest of the County.

9 7.4 **Contract Negotiations** - County will negotiate a proposed contract with the  
10 Proposer having the highest score. The proposed contract will be similar to  
11 the ***Sample Contract - Standard Terms and Conditions***, Part C, and will  
12 be submitted to the Board of Supervisors for consideration and approval. If  
13 a contract cannot be negotiated with the highest ranked Proposer within ten  
14 (10) days, County may, at its sole discretion, reject the proposal and begin  
15 negotiations with the second highest ranked Proposer.

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**PART B  
STATEMENT OF WORK**

1. **KEY TPA SERVICES** - The key TPA services listed below in this Statement of Work are organized under a number of general categories including:

Incident Reporting  
Claims Administration  
Litigation Management  
Subrogation  
Settlement Authority  
Information Management  
Education and Risk Management/Loss Prevention Programs  
Administrative Services

For definitions of terms used in this **Statement of Work** Proposer should see Part E, Exhibit 12.

2. **INCIDENT REPORTING**

2.1 Contractor shall provide, or develop if necessary, general guidelines and information for County employees to follow that will assist Contractor in the administration of incidents, and should support of County's **Incident Reporting and Accident Review Guidelines** (see Part E, Exhibit 6). Such Contractor developed guidelines and information is subject to approval by County Risk Management.

2.2 Incidents will be submitted to Contractor electronically using Countywide Risk Management Information System (RMIS) or by fax or mail Contractor shall supply printed forms to be used by County departments for reporting incidents. The format of each form must be approved by County Contract Administrator.

2.3 **Entering Incident Reports Into RMIS** - County's RMIS includes online incident reporting by County staff.

A. Not all County staff will have access to RMIS so Contractor must be able to receive incident reports also by phone, fax and mail, and to purge incident reports to comply with legal retention requirements.

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1 B. Contractor also must input into County's RMIS all incident reports  
2 that Contractor receives not already entered into RMIS by County  
3 staff.

4 2.4 Contractor shall promptly review all incident reports made by County to  
5 determine if:

6 2.4.1 A case file should be created based on guidelines contained in  
7 ***Incident Reporting and Accident Review Guidelines*** (see Part E,  
8 Exhibit 6);

9 2.4.2 Subrogation action should be undertaken based on the guidelines  
10 contained in Part E, Exhibit 8, ***Vehicle Accident Subrogation***  
11 ***Process***;

12 2.4.3 The matter should be handled as an incident only because of no  
13 liability against County; or

14 2.4.4 The claim should be referred for immediate field investigation and  
15 handled as an accelerated claim settlement because County liability is  
16 clear and damages are undisputed and minor ( see Part E, Exhibit 7,  
17 ***Accelerated Claims Settlement Program***).

18 3. **CLAIMS ADMINISTRATION** - Upon receipt of a claim or lawsuit, or an incident  
19 report indicating County liability and meriting the opening of a case file, Contractor  
20 shall take appropriate action to protect the County's interest. This action shall  
21 consist of opening a case file, conducting a timely and thorough investigation,  
22 preparing required reports and forms, establishing and maintaining adequate case  
23 file reserve estimates, and keeping informed or advising the County Contract  
24 Administrator, County Counsel and involved department(s) on the action to take to  
25 resolve the pending matter.

26 3.1 **Investigations** - Thorough and timely investigations shall be conducted  
27 timely and in accordance with the following guidelines:

28 3.1.1 Contractor's investigation activities shall include:

29 A. Securing and reviewing department's internal investigation  
30 reports and/or other relevant documents;

31 B. Conducting other investigations as found necessary including  
32 obtaining statements, making an on-scene inspection, securing

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evidence and photographs, and obtaining relevant police and other reports and documents;

C. Assessing the appropriateness and reasonableness of damage or claimed amounts, and evaluating County's potential liability exposure; and

D. Assessing physical injuries or damages, including evaluation of medical treatment and expenses, and physical damage repair or replacement costs.

3.1.2 Investigation of an incident that involves a severe injury shall be initiated by Contractor within twenty-four (24) hours after Contractor is notified of the incident. Within ninety (90) calendar days, the investigation should be substantially completed and County shall be advised of the action taken.

In all other circumstances, Contractor's Investigation shall be completed within thirty (30) days after Contractor is notified. Investigations should be consistent with the severity and value of the occurrence and the loss incurred, and County should be advised of the action to be taken.

3.1.3 For incidents or claims involving minor injury or property damage for which County is liable, Contractor must contact potential claimants to verify damage/injury amount and determine if an expedited resolution should be initiated under the County's ***Accelerated Claims Settlement Program***, Part E, Exhibit 7.

3.1.4 Review and update case file reserves on pending claims in accordance with County's ***Case Reserve Policy***, Part E, Exhibit 4, including the necessary management controls to ensure ongoing implementation of the reserve review process, including provision of the necessary information and appropriate reports.

3.2 **Reserves** - Contractor shall use County's Risk Management Information to establish, update, and maintain case file reserves (indemnity and expenses), and will set initial reserves within ten (10) working days after the date the Case File is set-up by Contractor. Contractor will include the necessary management controls to insure review and maintenance of Case File reserves including reporting and data collection.

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Contractor's Case File reserve policy will comply with the provisions of Part E, Exhibit 4, **County's Cash Reserve Policy**.

**3.3 Response to Claims** - In addition to Contractor's investigation of the facts upon which the claim is based, Contractor shall, on County's behalf, take the following actions where appropriate:

3.3.1 Deny claims in writing that have not been filed within the statutorily required time.

3.3.2 Deny claims on or before the date a denial is required or permitted by law, if in the exercise of reasonably prudent judgment and after a review of all pertinent information, there is no basis of liability against County or its employees.

3.3.3 Deny claims after reasonable efforts to obtain necessary additional information clarifying or substantiating issues of liability or damage from the claimant or departments are unsuccessful.

3.3.4 For each claim not submitted in accordance with legal statutory filing requirements, contractor shall, on County's behalf, notify the claimant or third-party of the specific insufficiency. Contractor, shall deny all claims where claimant or thrid party has failed to remedy the noted insufficiencies.

3.3.5 Reject all Applications for Leave to Present Late Claim unless the untimeliness of filing a claim clearly falls within Government Code Sections 911.4 and 911.6. In these cases, Contractor shall advise and obtain County Counsel's written approval to accept a late claim.

3.3.6 Contractor shall forward Petitions for Relief from the requirements of Government Code Sections 911.4 and 911.6 to a member of the Defense Panel, as directed by County Counsel. Contractor shall assist defense counsel in opposing the petitions filed.

3.3.7 Contractor shall have the authority to settle any claim or lawsuit in an amount not to exceed \$10,000. At its sole option, County reserves the right to increase or decrease the settlement authority limits in the negotiated contract at any time. See also **Settlement Authority, Part B, Section 8**.

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4. **INCIDENT, CLAIMS, LAWSUIT PROCEDURES MANUAL** -Within three (3)

months following contract award, Contractor shall submit and maintain an operations manual of procedures to County for evaluation. The operations manual is subject to amendment and approval by County Risk Management, and should include, but not be limited to, the following information:

4.1 Contractor's philosophy, policies and procedures to be followed in handling incidents, claims, and lawsuits;

4.2 Procedures for receiving and reporting incidents, claims, and lawsuits between Contractor and County;

4.3 Procedures and standards that Contractor will use to review and approve legal defense fees, and allocated expenses, including auditing of billings;

4.4 Procedures for documenting, monitoring, and auditing financial transactions;

4.5 Procedures regulating the completion and submission of required reports to County;

4.6 Procedures for submitting recommendations requesting settlement authority from County's Contract Administrator;

4.7 Procedures for administration and management of Trust Fund, including requesting replenishment to the Bank Account; and

4.8 Procedures for identifying, quantifying, and incorporating risk management/loss prevention issues and training into the administration of incidents/claims/lawsuits.

4.9 Contractor's Procedure Manual will be provided to the County Contract Administrator, and County Counsel, and be utilized by Contractor's claims staff handling County claims.

4.10 Contractor will periodically review procedures and practices with County Contract Administrator or his/her designee to insure that the services provided are in compliance with County's requirements and sound claims administration practices. Contractor will implement improvements as needed to increase productivity and enhance the quality and the performance of claims administration services

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5. **LITIGATION MANAGEMENT** - If resolution cannot be made without litigation, then Contractor, under the general supervision of County Risk Management and County Counsel, has the responsibility for monitoring and reporting on the performance of the County's defense attorneys. County Counsel, or a designated Legal Defense Panel Member, provides legal services for all County liability claims and lawsuits. A sample copy of the County's **Professional Legal Services Agreement** is included in Part E, Exhibit 14. County Counsel is responsible for administering those agreements and retains final authority on all legal matters pertaining to those agreements. In addition, County Risk Manager and County Counsel shall have responsibility for the overall management of legal defense services which shall include but not be limited to the addition or deletion of legal defense panel members, the assignment of litigation to the defense panel, review and approval of litigation strategy, legal defense panel firms' billings, and advisement on legal issues as may be requested.

In accordance with best practices, subject to prior approval by County Risk Management, and within County's contract requirements, Contractor's litigation management responsibilities include the following:

5.1 Upon receipt of a lawsuit, Contractor shall submit to County Risk Management and County Counsel, Contractor's recommendation of the Defense Panel Member to whom the case should be assigned. Contractor's recommendations shall be based on the facts of the individual case and the particular expertise and availability of Defense Counsel. County shall be deemed to have approved Contractor's recommendation unless County instructs Contractor to the contrary within five (5) business days after receipt of notice. Contractor shall assign the case in accordance with specific instructions of County. County reserves the right to assign or reassign the case to any Defense Panel Member or law firm of its choice, at any time.

5.2 Within ninety (90) days after the assignment of a case to a Defense Panel Member, Contractor shall secure, approve and submit to County Counsel and the involved County department(s) a Case Evaluation and Plan (CEP) prepared in accordance with Part B, Section 11.2.1. Within thirty (30) days following receipt of CEP, County Counsel will approve or direct changes to be incorporated into the CEP and assign a priority level and reporting schedule.

5.3 Contractor shall supervise the defense of suits assigned to Defense Panel Members. Contractor shall monitor the investigation, expenditures and defense of the litigation to ensure that the assigned Legal Defense Panel

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member adheres to the Case Evaluation and Plan (CEP). Contractor will continue to preform necessary and requested investigations.

5.4 For each case assigned to a member of Defense Panel, Contractor shall obtain and evaluate the reports described in Part B, Section 11.2.

5.5 Contractor shall supervise and/or conduct case litigation management, settlement negotiations and trial activities of the Defense Panel members to minimize settlements, trial costs, and achieve favorable trial results.

5.6 Contractor has the responsibility, under the general supervision of County Risk Management or County Counsel, to monitor, audit, and approve all bills for attorney services and all other legal expenses. Contractor shall establish procedures and standards to be approved by County for auditing attorney billings for accuracy and consistency.

5.6.1 Billings for legal services must accurately and sufficiently identify the services provided, name of person and law firm providing the services, date and length of time services were provided, case file, billing rates and hours worked.

5.7 **Round Table Meetings** - Approximately six (6) months after assignment of a case to a Defense Panel member, a Round Table Meeting, chaired by County Counsel, may be held at the Department Facility. Round Table Meetings for auto liability cases will only be held when required by County Counsel. Round Tables for all other types of cases may be waived at the discretion of County Counsel.

The purpose of the Round Table Meeting is to assist in the development of an accurate evaluation of the facts, the medical and legal theories, litigation strategy, potential risk management/loss prevention issues, and possible corrective action. Round Tables are only one of many tools to be utilized by Contractor to continually search for an accurate understanding of all the circumstances surrounding an event, to enable Contractor to assess and communicate to others the level of exposure to County.

Contractor will meet with County Risk Management, County Counsel and Department Liaison at least quarterly for purposes of Contractor advising County of those assigned cases which, based on the time of assignment and the anticipated status of discovery of facts, are candidates for a Round Table Meeting. This "pre-Round Table Meeting" will also serve as a file review meeting, and Contractor will be prepared to give a brief summary of

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each case. The Department Liaisons will make available for the Round Table Meeting department staff to assist in a complete examination of the event underlying the lawsuit. Contractor will be encouraged to make recommendations as to those County personnel whom Contractor and Defense Panel Member believe might contribute to this information exchange process. Based on this pre-Round Table Meeting, County will determine which cases should be Round Tabled, and County will provide Contractor with a date for each. Contractor will be required to give notice to Risk Management Manager, County Counsel, Department Liaisons, Department Facility Liaisons, and others as directed by County Counsel of each Round Table Meeting as scheduled by County.

Each Round Table Meeting is to include County Risk Management, County Counsel, Department Liaison, assigned Defense Panel Member(s), involved Contractor staff. County will provide those designated County personnel and staff, as determined by County and/or recommended by Contractor, who might contribute to this information exchange process. Subsequent Round Table Meetings may be scheduled as needed or as requested depending on the complexity of the case, the status of discovery, and the need to develop additional facts. County Counsel will be the final authority of the scheduling of Round Table Meetings.

Contractor's staff who attend these meetings will be asked to present a legal analysis of the event, and will participate as part of the team to find the best resolution of the case for County.

### **5.7.1 Prior to Round Table Meetings Contractor will:**

- A. Talk to Defense Panel Member(s) to determine the current status of the lawsuit, and request that a Defense Counsel Evaluation (DCE) be prepared setting forth the facts and the legal and medical theories of liability.
- B. Insure that copies of all pertinent records, film studies, photographs, and other appropriate documentary evidence will be available at the Round Table Meeting.
- C. Advise Legal Defense Panel Member(s) to provide an updated Timeline that supports the facts, contentions, legal analysis, conclusions, and, where applicable, the factors for settlement contained in the Defense Panel Member's DCE. Timelines will be prepared by Contractor and Legal Defense Panel Member(s)

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1 using **CaseMap**, or other technologically comparable software  
2 approved by County Counsel. Such Timelines for auto liability  
3 cases will only be required when requested by County Counsel.  
4 Timelines for all other types of cases may be waived at the  
5 discretion of County Counsel.

6 For **CaseMap** format see website (see  
7 [www.casesoft.com/casemap.shtml](http://www.casesoft.com/casemap.shtml).)

8 5.8 **Writs and Appeals** - Contractor shall recommend to County Counsel those  
9 matters where the filing of a Writ or an Appeal is deemed appropriate.  
10 Contractor's recommendation shall identify a Defense Panel Member to  
11 execute the Writ or Appeal. For Writs, County Counsel shall advise  
12 Contractor within five (5) working days after receipt whether the Writ should  
13 be filed and by which member of the Defense Panel. County Counsel will  
14 respond to Contractor within ten (10) working days on matters of Appeals,  
15 otherwise Contractor may deem to have County Counsel's approval.

16 6. **SUBROGATION** - Contractor shall be responsible for the identification, evaluation,  
17 administration, resolution, collection and deposit with County of all County property  
18 damage subrogation. It is preferred that the subrogation be domiciled in the same  
19 office as the liability personnel. County will pay Contractor a percentage of monies  
20 remitted to County (see **Fixed-Task Fee** for subrogation of non-litigated and  
21 litigated case files Part A, Section 4.4.2, B). Allocated loss expenses are to be  
22 charged against the subrogation file. Contractor responsibilities shall include but  
23 are not limited to the following:

24 6.1 Provide experienced and qualified staff and clerical/support personnel for  
25 the subrogation of damage to County vehicles and employee vehicles  
26 determined to be covered through the investigation process.

27 6.2 Develop, implement and comply with County policy and criteria for identifying  
28 incidents and liability claims for subrogation recovery (see **Vehicle Accident**  
29 **Subrogation Process**, Part E, Exhibit 8).

30 6.3 Develop, maintain and comply with a procedures manual to ensure  
31 subrogation is conducted in a timely and cost effective manner and  
32 subrogation recoveries are maximized. Including (when appropriate)  
33 notifying County's Chief of Disability Management of subrogation, so the  
34 County can pursue Workers' Compensation subrogation.

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6.4 Obtain information and documents (i.e. incident, police, medical and other reports, repair estimates, claim status) relevant to subrogation efforts.

6.5 Conduct subrogation including preparing correspondence to effect collection, collect payments from the responsible parties/insurance company and credit case file when a subrogation recovery is received.

6.6 Maintain and provide, as required by County, statistical and financial reports on subrogation conducted, recoveries received and costs of subrogation services.

6.7 Submit litigation request to County Counsel when it is cost effective or to County's benefit to litigate and provide reports required by County on litigation efforts and costs.

6.8 Advise and work with County staff to resolve any operational difficulties.

7. **INDEMNIFICATION OR HOLD HARMLESS AGREEMENTS** - Contractor shall be responsible for the identification, evaluation and administration of Hold Harmless Agreements which provide indemnification for County by other parties.

7.1 Contractor will follow up on Hold Harmless Agreements when they are identified on the incident report.

7.2 Contractor will investigate the existence of Hold Harmless Agreements when there is potential such an agreement may exist.

7.3 Contractor's claims procedure manual will address the importance of this avenue of recovery.

7.4 Contractor shall tender and aggressively pursue the defense and indemnification of County from third party where hold harmless agreements exist.

8. **SETTLEMENT AUTHORITY** - Contractor shall have authority to settle any claim or lawsuit for \$10,000 or less per claimant, if such settlement is deemed by Contractor to be in County's best interest. Settlements under this authority must comply with settlement authority procedures established by Contractor and approved by County.

8.1 Contractor will insure that all structured settlements offered as part of a negotiated settlement are offered in relation to a fixed dollar amount.

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1           8.2     Contractor will advise County on a monthly basis or as requested of all  
2                 settlements made under this authority. County reserves the right to reject or  
3                 modify any settlements up to the date settlement is accepted by plaintiffs or  
4                 their attorneys.

5           8.3     Proposed settlements over Contractor's authorized limit shall be submitted  
6                 to the County Risk Management and County Counsel for approval and  
7                 concurrence of the involved department(s). County may approve proposed  
8                 settlements, deny authority requested, approve settlements in a sum or  
9                 manner other than requested or instruct that the matter proceed to trial.  
10                County may direct Contractor, or the assigned Defense Panel member to  
11                accomplish additional tasks and re-submit a revised settlement proposal.

12           Contractor shall, under the general direction of the County Risk Management,  
13           arrange and purchase annuity policies for payment of structured settlements in  
14           accordance with County established guidelines (see ***Structured Settlement***  
15           ***Program Guidelines, Part E, Exhibit 5***). The annuity premium shall be considered  
16           a settlement cost to be paid from the bank account, (see ***Financial and Related***  
17           ***Administrative Services Management, Part B, Section 12.***)

18   9.     **LIENS AND INCUMBRANCES** - Contractor will be responsible for verifying and  
19           reporting to County Risk Management the existence of all liens and incumbrances  
20           against a settlement or proposed settlement of a litigated matter, and asserting all  
21           appropriate defenses to any such liens and incumbrances. Contractor will be  
22           authorized to negotiate such liens and incumbrances, and will be responsible for  
23           protecting County's interests by insuring that all such liens and incumbrances are  
24           satisfied, or will be satisfied, either by plaintiff/claimant, outside third parties,  
25           compromise and release by the lien holder, or by the stated terms and conditions of  
26           the settlement or proposed settlement.

27   10.    **STRUCTURED SETTLEMENTS** - Contractor will insure that all structured  
28           settlements offered as part of a negotiated settlement are offered in relation to a  
29           fixed dollar amount. Under the general supervision of the County Contract  
30           Administrator, Contractor will:

31           10.1.1    Arrange and purchase annuity policies for payment of structured  
32                        settlements in accordance with County established guidelines  
33                        (see ***Structured Settlement Program Guidelines, Part E,***  
34                        ***Exhibit 5***). The annuity premium will be considered a settlement  
35                        cost to be paid from the bank account (see ***Financial and***

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*Related Administrative Services Management, Part B, Section 12).*

11. **MANDATORY REPORTING** - Contractor will be responsible for preparing, obtaining, reviewing, and providing the following reports.

11.1 **Contractor's Reports:** Contractor shall provide a variety of periodic reports to enable analysis and monitoring of incidents, claims, frequency, severity, location, claim activity trends, lawsuit settlements, allocated costs, reserve aging, litigation defense activity, legal fees and costs, and disposition of suits. The reports will be provided through the County's Risk Management Information System (RMIS) (see Part E, Exhibit 11, RiskVisionNet™ Risk Management Information System) or when necessary prepared manually by Contractor's staff. (See Part E, Exhibit 12, List of Contractor Reports.)

11.1.1 **Management Summary Reports** - These reports will summarize financial, claims, legal defense related risk management activities, as requested by the County Contract Administrator. These reports shall be used by the County Contract Administrator to monitor contract costs and service performance, and shall include but not be limited to reports such as a *Claims Filed and Closed Report* (a listing of open closed claims, name of claimant, County department, cause of loss, date reported, date claim filed, litigation status, indemnity and expense payment amounts, outstanding indemnity and expense reserves, and total incurred costs to date.

11.1.2 **Financial Administration Reports** - These reports list reserve amounts, indemnity payments, allocated expenses, and other expenditures on an individual and cumulative total basis. This information must be available on an accrual and cash payment basis. Information should be categorized by fund, budget unit, department, and auto or general liability. Reports will be used to perform monthly reconciliations, enable cash flow

11.1.3 **Risk Management Reports** - These reports shall provide information relating to loss frequency and severity, and accident types, causes, and trends to assist in identifying and treating County risk exposures.

11.1.4 **Ad Hoc Reports** - Contractor will be required to provide such other reports on an ad hoc basis. Ad hoc reports are those

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reports generated at the request of the County Contract Administrator, or County Counsel.

**11.2 Monitoring of Legal Defense Panel Reports** - Contractor will obtain and evaluate the following reports for each lawsuit assigned to a Defense Panel Member:

**11.2.1 Case Evaluation and Plan (CEP)** - Within thirty (30) calendar days after an case has been assigned to Defense Panel Member, the Defense Panel Member is required to submit to County Risk Management and County Counsel an initial Case Evaluation and Plan. The Case Evaluation and Plan is a confidential and independent evaluation of the case and serves as a basis for controlling litigation costs and documenting County's legal position, strategy, and status. It is based on the Defense Panel Member's evaluation of the pleadings, discovery, reports, other documents, and examination of physical evidence (if any), and on other matters as deemed appropriate and necessary.

A. Contractor will review and submit the Case Evaluation and Plan to County within ninety (90) calendar days after assignment of the case to a Defense Panel Member. In exceptional circumstances and with County's prior approval, Contractor may submit it within one hundred twenty (120) calendar days after assignment of the case to a Defense Panel Member.

(1) Case Evaluation Plans which do not require a reserve of \$100,000 or more for which the fees and expenses are not expected to exceed \$50,000 will be submitted for approval by Contractor, who will notify County of its approval.

(2) Case Evaluations and Plans in which the reserve is \$100,000 or more, or for which the fees and expenses are expected to be \$50,000 or more, Contractor will submit with Contractor's recommendations to County for County's approval.

(3) A previously Contractor-approved Case Evaluation and Plan, that is amended to increase the reserve to \$100,000 or more, or the fees and expenses to \$50,000 or more, Contractor shall submit to County Risk Management and County Counsel for final review and approval.

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(4) In the event Contractor and Defense Panel Member cannot agree on a Case Evaluation and Plan in which the reserve is expected to be less than \$100,000 with fees and expenses that are expected to be less than \$50,000, Contractor will submit the Case Evaluation and Plan of the Defense Panel Member with Contractor's comments and recommendations to County Risk Management and County Counsel.

Within 30 days after receipt, County shall approve or recommend changes to the Case Evaluation and Plan or reassign the case to another Defense Panel Member.

B. The Case Evaluation and Plan shall include, but not be limited to:

(1) Statement of known facts and identified legal issues, including opposing attorney's name and firm.

(2) Statement of precedent-setting or sensitive issues, if applicable.

(3) Statement of injuries and damages.

(4) Statement of liability exposure and listing of witnesses.

(5) Recommendation(s) on case strategy, including settlement, discovery, motions, extent of legal research, consultants and witnesses or experts to be retained and extent of expert work to be performed.

(6) An initial cost estimate based on the Defense Panel Member's projection of the costs it can reasonably anticipate incurring. Total cost shall be budgeted on a County fiscal year basis, and shall include, but not be limited to:

a. Attorney fees - detailing staffing levels, hourly rates, and estimated number of hours for each partner, associate, and paralegal.

b. Consultant and expert witness rates and estimated number of hours each will be needed.

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1 c. Deposition and transcript expenses and other  
2 miscellaneous expenses.

3 d. Fees and expenses for handling the case through each of  
4 the applicable stages; pleadings, discovery, pretrial  
5 conference, arbitration, trial, any other identified stages.

6 C. Contractor will monitor the investigation, expenditures and  
7 defense of the litigation to insure that the assigned Legal Defense  
8 Panel member adheres to the Case Evaluation and Plan (CEP).

9 11.2.2 **Case Status Reports and Status Update Reports** - A Case  
10 Status Report is a summary of all significant actions and  
11 developments in the case(s) since the submission of the Case  
12 Evaluation and Plan (CEP). Status Update Reports will  
13 summarize all significant actions and developments in the case  
14 since the CEP or last status report, as applicable.

15 A. Contractor will provide to County the Case Status Reports, and  
16 Status Update Reports at a determined reporting frequency  
17 consistent with the ***County's Priority Rating System, Part E,***  
18 ***Exhibit 10,*** or as designated by County Risk Management or  
19 County Counsel.

20 B. Case Status Reports shall include, but not be limited to, a  
21 summary of the following actions:

- 22 (1) Status of discovery and investigation  
23 (2) Status of expert witness and consultant investigations  
24 (3) Changes in the case strategy  
25 (4) Results of motions  
26 (5) Changes in County's exposure/liability  
27 (6) Percentage of the total Initial Cost Estimate expended to date  
28 (7) Developments impacting previously approved budget  
29 (8) Results of all settlement negotiations.  
30 (9) Changes in opposition's legal representation  
31 (10) Actions planned or scheduled during the next reporting  
32 period  
33

34 12. **FINANCIAL AND RELATED ADMINISTRATIVE SERVICES MANAGEMENT** -  
35 Contractor shall provide a full range of financial and related administrative services  
36 to insure that all funds entrusted to Contractor are managed in accordance with

## **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

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generally recognized accounting practices and County fiscal requirements.  
Contractor also shall provide, necessary support in development of County's liability  
claims administration budget. This includes but will not be limited to the following:

**12.1 Bank Account** - County shall establish a checking account at a bank of  
County's choice to exclusively pay for authorized indemnity, legal defense  
fees, and Allocated Expenses associated with auto and general liability.

Contractor shall comply with all banking regulations and requirements,  
including the completion of all applicable bank documents and signature  
cards. Contractor shall be responsible for ordering, issuing payment for  
check stock, deposit slips, and endorsement stamps. The format of all  
check stock deposit slips and endorsement stamps must comply with bank  
and County rules and regulations. All funds and transactions will also be  
governed according to bank and County rules and regulations, or instructions  
issued by the County Contract Administrator. At County's option, the  
account shall be subject to audit by personnel or authorized representatives  
of County.

**12.1.1 Disbursements** - Contractor shall be responsible for issuing  
authorized payments for legal defense fees and Allocated  
Expenses, and indemnity on settlements or judgments authorized  
by County.

A. Contractor shall immediately report to the County Contract  
Administrator any alleged, suspected or known incident involving  
any forged checks, forged endorsements, or counterfeit items.  
Contractor shall be liable for any loss to County resulting from  
Contractor's failing to report such an incident within fifteen (15)  
calendar days after discovery of such incident.

B. Contractor is prohibited from issuing any payments relating to  
contractor's fees from the Bank Account.

**12.1.2 Replenishment** - County shall advance funds for deposit into the  
Bank Account. Contractor will periodically submit an invoice  
requesting funds from County to replenish the account. All  
requests for replenishment will be sent to the County Contract  
Administrator with a listing of the payments for which  
replenishment is being requested. Upon approval by the County  
Contract Administrator, replenishment payment will be issued by

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County within ten (10) business days. The replenishment invoice must include an itemization of:

- A. Case name,
- B. Type and amount of payment,
- C. Budget unit, and
- D. Total of funds request

**12.1.3 Month End Accounting Report** - Contractor shall complete a monthly reconciliation and submit it to the County Contract Administrator no later than fourteen (14) calendar days after receipt of each month's bank statement. The reconciliation shall include, but not be limited to the following elements contained in the Month End Accounting Report includes the following information:

- A. Bank statement for the month that itemizes account's transactions and bank charges.
- B. Reconciliation statement reconciling contractor's fund balance with bank's statement.
- C. Copy of all checks issued for the month including all stop payments, voided and stale-dated checks.
- D. Monthly account summary providing number of checks issued, gross and net amount issued, total replenishment amount requested, and any adjustment or correction of prior transactions.
- E. A detailed listing of payments issued during the month identifying Case File, amount paid, date and type of payment, payee and date of occurrence, categorized by fund account.

**12.2 County Audits of TPA Financials and Performance** - Contractor's staff shall cooperate fully with all County audits. Financial, performance and related audits may be performed by the County Contract Administrator or its designee, and by the County's Chief Administrative Officer or its designee and may be conducted by outside auditing services at County's sole direction. Such audits shall be scheduled at a frequency determined by County.

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13. **INFORMATION MANAGEMENT** - Contractor shall maintain program information necessary to meet the requirements of this contract. The majority of the needed information will be available through the use of County's Risk Management Information System (RMIS). Contractor shall use County's RMIS for the risk management and claims administration information management services required under this contract. See Part E, Exhibit 11, RiskVisionNET™ Risk Management Information System, that describes the system requirements, and also see Part E, Exhibit 12, Contractor Reports.

13.1 **Equipment** - Contractor will need to install at least a ½ T1 link between Contractor and County for the RMIS connection. Contractor shall maintain and/or upgrade the required PC configurations, software and hardware, to keep up with industry standards and to maintain compatibility with County's RMIS. The upgrade of hardware and/or software will be as determined by County or Contractor.

13.2 **System Security** - County Risk Management Information System (RMIS) equipment will be housed at Contractor's facility. Contractor will provide access to County for necessary installation and repair of RMIS equipment. Contractor shall also meet any additional security measures as required by County. Contractor's security measures must be approved by County.

13.3 **System Data Maintenance** - Contractor shall, on a daily basis, accurately input, update, and maintain all data fields on the County's RMIS system for all cases administered by Contractor. Contractor shall provide a Local Area Network (LAN) that will be required to be connected to County's Wide Area Network (WAN) via a dedicated frame relay line. All costs associated with the transition to and implementation of County's new system shall be the responsibility of Contractor. Contractor shall be responsible for system security as required by County.

13.4 **RMIS Training** - County shall furnish necessary RMIS system instructional material and security information, and shall provide initial RMIS system training to Contractor's staff. Follow-up training will be provided by County to Contractor's key information system staff. These key information system staff will provide training as needed to insure Contractor's staff is proficient with the RMIS system.

13.5 **RMIS Maintenance, Repair, and Replacement** - County shall provide maintenance, repair and/or replacement of County RMIS equipment. Contractor shall be responsible for damage to RMIS system equipment, other than that caused by normal wear and tear, as determined by County.

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Contractor shall maintain insurance for the full replacement value of RMIS equipment as specified in ***Insurance***, Part C, Section 37.

**14. EDUCATION AND RISK MANAGEMENT/LOSS PREVENTION PROGRAMS**

**14.1 Education for County Staff** - Contractor shall, as directed by the County Contract Administrator, initiate and maintain ongoing educational and loss prevention programs, furnish seminars and training sessions for the benefit of County personnel concerning claims and risk control issues, participate in County Risk Control Committees when requested by the County Contract Administrator, and submit risk management information to the County Contract Administrator to enable implementation of practical and effective loss prevention programs to reduce County's future liability costs.

**14.1.1** Contractor will provide an education/training/resource component to promote the prevention, reporting and management of adverse events to include:

- A. Assisting in evaluating incident, claims, and lawsuit data to identify statistical trends discovered through ongoing Contractor investigations, Round Table Meetings, and department/facility interaction;
- B. Discussing Contractor's evaluations with Department Liaisons, and incorporating the results of these discussions into ongoing educational presentations.
- C. Providing online educational resources. Contractor should provide written materials, resources and web-links regarding risk management/loss prevention to County Department Liaisons.
- D. Providing consultation to Department Liaisons to recommend development of needed policy, procedures or processes in order to prevent, mitigate, or respond to adverse events.

**14.2 Continuing Education for TPA Staff** Contractor will be expected to provide ongoing claims administration training to Contractor's staff to insure its staff are knowledgeable concerning relevant developments in liability risk management and industry claims administration practices.

In-service education capabilities should be specifically outlined by contractors with special attention to incident evaluation, new employee

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orientation, employment related liability, establishment and adjustment of reserves, claims investigation, and other significant program issues.

### **15. CONTRACTOR'S PERSONNEL**

**15.1 Program Managers** - Contractor shall designate a Contract Manager and a Claims Manager. These managers shall be full-time employees of Contractor, and replacement of these managers shall be subject to prior written approval by County's Contract Administrator.

**15.1.1 Contract Manager:** Contract Manager shall have overall responsibility for the performance of contractor's activities under this contract and shall be authorized to act for and bind Contractor in all matters relating to the administrative aspects of this contract, including any amendments.

**15.1.2 Claims Manager:** Claims Manager shall be exclusively dedicated to the daily administration and supervision of contractor's activities under this contract and will have a minimum of ten (10) years auto liability/general liability claims work experience, with a minimum of five (5) years public entity auto liability/general liability claims work experience.

**15.2 Information Systems Manager:** Information Systems Manager shall have a minimum of five (5) years experience in computer design, programming, implementation and maintenance. This manager will be expected to provide support during implementation of County's RMIS at Contractor's facility, attend meetings related to the RMIS, and will be responsible for ensuring:

- A. Contractor's staff are trained in the use of and security of County's RMIS and Contractor's Local Area Network (LAN).
- B. Trained staff are available during County business hours to:
  - (1) attend County provided RMIS meetings and update training sessions;
  - (2) process ad hoc report requests from County Contract Administrator, County Counsel, or Department Liaison;

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(3) run regular reports and distribute them timely to County departments/staff as directed by County Contract Administrator.

**15.3 Claims Staff** - Contractor shall provide claims staff dedicated solely to administer and manage incidents, claims, and lawsuits filed against County. To avoid any potential conflict of interest, these staff shall not administer or manage any incidents, claims, or lawsuits on behalf of any client other than County. Failure to comply with this requirement shall constitute a material breach of contract upon which County may immediately terminate or suspend this Contract.

Contractor's staff shall at a minimum consist of two (2) Supervising Claims Specialists, four (4) Auto Liability Claims Specialists, four (4) General Liability Claims Specialists, support staff and a subrogation unit.

**15.3.1 Supervising Claims Specialist** shall have a minimum of five (5) years auto liability/general liability claims experience. They shall have additional responsibility to review and approve all case file reserves and settlements and oversee the claims administration and legal defense management efforts of claims staff under their supervision. A Supervising Claims Specialist shall have an individual maximum caseload of no more than 100 case files, and supervise no more than four (4) Claims Specialists.

**15.3.2 Claims Specialist** shall have a minimum of three (3) years claims work experience. They will administer incidents and claims and manage legal defense of lawsuits. Claims Specialists will attend settlement conferences and meetings as directed by the Supervising Claims Specialist. Each Claims Specialist shall have a maximum caseload of 250 case files.

**15.4 Contractor's Support Staff** - Contractor shall provide qualified and experienced clerical and other support personnel to insure:

**15.4.1** Daily pick-up and deliveries between County Contract Administrator, County Counsel and Contractor.

**15.4.2** Proper matching and distribution of mail to appropriate claims personnel within twenty-four (24) hours after receipt by Contractor,

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15.4.3 Completion of processing and mailing of correspondence, forms, and legal notices within forty-eight (48) hours of assignment or receipt;

15.4.4 Accurate and complete entry of incident reports, not entered into County's Risk Management Information System (RMIS) by County. Such entries are to be entered within twenty-four (24) hours after receipt by Contractor; and

15.4.5 Provision of notice of Round Table Meetings.

**16. CONTRACTOR AVAILABILITY**

16.1 Contractor shall have one (1) claims staff who is accessible twenty-four (24) hours a day, to the County Contract Administrator and/or other County staff, for emergency consultation and immediate reporting of major and severe injury incidents. The Contract Manager or the Claims Manager shall be immediately available to the designated claims staff for consultation.

16.2 Contractor shall maintain office hours from 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding County holidays.

**17. COUNTY'S PERSONNEL**

17.1 **County's Contract Administrator** - The County's Contract Administrator for this contract shall be Chief of Risk Management Operations in the Los Angeles County's Chief Administrative Office, or his duly authorized designee. Except as otherwise required herein, the County's Contract Administrator shall:

17.1.1 Have full authority to monitor Contractor's performance in the daily operation of this contract.

17.1.2 Provide direction to Contractor in areas relating to claim and litigation management policy, information, and procedural requirements.

17.1.3 In the event of a dispute between the County Contract Administrator and Contractor regarding substantive questions of policy and procedures, the County Contract Administrator's interpretation shall prevail including without limitation,

## **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

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1 interpretation of Federal, State and local laws, civil procedures,  
2 legal process, court rules and administrative regulations.

3 17.1.4 County will inform Contractor of the name, address, and telephone  
4 number of the County Contract Administrator, in writing, at the time  
5 this contract is awarded, and at any time, thereafter, a change of  
6 County Contract Administrator is made.

7 17.1.5 Not be authorized to make any changes in the **Standard Terms**  
8 **and Conditions** of the contract nor to obligate Los Angeles  
9 County in any way whatsoever.

10 17.1.6 Meet at least quarterly with the Contractor's Program Manager(s)  
11 to review claim and litigation management, contract performance  
12 issues and other items of concern to the County's program. At the  
13 option of County Contract Administrator, meetings may be  
14 scheduled monthly at the office of the County Contract  
15 Administrator or other site designated by the County Contract  
16 Administrator.

17 17.1.7 Except as otherwise provided herein, all work performed by  
18 contractor under this contract shall be subject to approval by the  
19 County Contract Administrator.

20 17.2 **County Counsel Liaison** - The County Counsel Liaison for this contract  
21 shall be an attorney from the Office of the County Counsel's General  
22 Litigation Division. County Counsel shall have collaborative responsibility  
23 with the County Risk Manager for the overall management of legal defense  
24 services, which shall include, but not be limited to, the addition or deletion of  
25 Legal Defense Panel members, the assignment of litigation to the defense  
26 panel, review and approval of litigation strategy, Legal Defense Panel firms'  
27 billings, and advice on legal issues as may be requested, by Contractor.

28 17.3 **Quality Assurance Evaluator (QAE)** - County will designate one (1) or  
29 more persons who will act as a Quality Assurance Evaluator(s) for County on  
30 all services, requirements, and deliverables pertinent to the contract and  
31 monitor Contractor's performance using procedures that may be necessary  
32 to ascertain that Contractor is in compliance with this Contract. County will  
33 inform Contractor of the name, address, and telephone number of the QAE,  
34 in writing, at the time this Contract is awarded, and at any time, thereafter, a  
35 change of QAE is made.

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The QAE and the County Contract Administrator may be the same person.  
The QAE is not authorized to make any changes in the terms and conditions  
of this Contract nor to obligate County in any way whatsoever.

**17.4 Department Liaisons** - One or more persons will be designated by each  
County department to work with the County Contract Administrator, Quality  
Assurance Evaluator and Contractor. There are approximately sixty-eight  
(68) Departmental Liaisons who will be responsible for:

17.4.1 Insuring required department documents are provided to  
Contractor;

17.4.2 Discussing allegations, incidents, and lawsuits with Contractor as  
needed, including attending Round Table Meetings;

17.4.3 Providing concurrence of the factors of settlement for settlements  
for their department; and

17.4.4 Providing input to County Contract Administrator on Contractor's  
performance.

**18. COUNTY FURNISHED ITEMS**

18.1 County Contract Administrator shall arrange for the release of all case files  
and other documents for pick-up by Contractor prior to August 1, 2003.

18.2 County Contract Administrator will provide, orientation to the County liability  
claims administration program for key Contractor personnel prior to the start  
date of the contract. Contractor shall not be reimbursed for any expenses  
during orientation.

In addition, County Contract Administrator will provide, initial technical  
assistance to Contractor after the contract is awarded to insure a smooth  
transition.

**19. CONTRACTOR FURNISHED ITEMS** - Contractor shall provide all staff, facilities,  
materials, and equipment necessary to provide services required under this  
contract, except as stated in ***County Furnished Items, Part B, Section 18.***

19.1 Contractor shall provide training materials, supplies, and support equipment  
necessary to perform all services required by this Statement of Work and  
adhere to all requirements imposed on Contractor by the contract, except as

## **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

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provided by County under Part B Section 18 **County Furnished Items**.

Contractor shall also provide other office-related items such as personal computers, printers and monitors, fax machines, photocopy machines, video tape players (VHS) and monitors, and other program-related items, as required by County, due to program changes.

19.2 Contractor shall provide adequate workspace including RMIS access and e-mail, telephone service, and free parking for one County monitor, as necessary for required program auditing or monitoring.

19.3 Contractor shall provide **CaseMap**, or other technologically comparable software approved by County Counsel, for the Claims Manager, each Supervising Claims Specialist and each Claims Specialist. The software is to be used by Contractor's Claims staff to initiate Timelines for auto liability cases only when required by County Counsel. Timelines for all other types of cases may be waived at the discretion of County Counsel. Timelines. Defense Panel Members currently are using **CaseMap** (see [www.casesoft.com/casemap.shtml](http://www.casesoft.com/casemap.shtml).)

20. **CONTRACTOR REPORTS** - Reports programmed into County's RMIS will be generated and provided by e-mail to RMIS system users by County's RMIS service provider. Contractor shall provide other periodic reports required by County Contract Administrator and the Chief Administrative Officer or his designee to enable analysis and monitoring of incidents, claims, frequency, severity, funding/department, cause, fiscal status, law firm activity, location, claim activity trends, lawsuit settlements, allocated costs, reserve aging, litigation defense activity, legal fees and costs, and disposition of suits. Report that Contractor will provide are reports shown in the *How Generated* column as "**Manual**" of Part E, Exhibit 11, **Contractor Reports**.

### 21. **ADMINISTRATIVE SERVICES**

21.1 **Physical Security** - Contractor shall be responsible for safeguarding all County property provided for Contractor's use. At the close of each workday, checks and check stock, cases, files, supplies, equipment and computer access shall be secured.

21.2 **Employee Records** - Contractor shall keep current and accurate records of all its employees providing services under this contract. Such records shall include **Contractor Employee Acknowledgment and Confidentiality Agreement**, date of employment, current address, phone number, current

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1 salary and required licensing background pertinent to the provision of this  
2 contract.

3 21.3 **Record Retention** - All allegations and Case Files will be retained for a  
4 minimum of five (5) years beyond the date they are closed. No case files  
5 may be destroyed without County Contract Administrator's approval and  
6 Contractor will be responsible for storage of all retained files during the term  
7 of this contract at Contractor's cost.

8 21.4 **Other County Contractors and Vendors** - County has relationships with a  
9 number of private agencies in business to provide services related to the  
10 management of claims, such as structured settlement brokers and legal  
11 defense firms. Contractor shall use only those companies approved for use  
12 by County and shall utilize a rotational system for making these assignments,  
13 unless otherwise instructed by County Contract Administrator or County  
14 Counsel.

15 21.5 **E-Mail** - Contractor shall maintain the capacity to send and receive e-mail for  
16 at a minimum each administrator, supervisor and claims staff member.  
17 Contractor shall comply with County Contract Administrator specified e-mail  
18 protocol dealing with content and confidentiality when using e-mail for County  
19 information.

20 22. **CONTRACTOR'S QUALITY CONTROL** - Contractor shall establish and maintain  
21 a Quality Control Plan to assure that the requirements of the contract are met. The  
22 plan shall be provided to and approved by the County's Contract Administrator  
23 before services under this Contract are implemented. The Plan shall be effective  
24 on the implementation date and will be updated and re-submitted for County  
25 Contract Administrator's approval as changes occur. The plan shall include, but not  
26 be limited to, the following:

27 22.1 The method for ensuring the financial transactions, services, deliverables,  
28 and requirements defined in the contract are being provided at or above the  
29 level of quality agreed upon by County and Contractor.

30 22.2 The method for identifying and preventing deficiencies in the quality of  
31 service before the level of performance becomes unacceptable.

32 22.3 The methods for assuring and verifying that the minimum requirements for  
33 claims personnel are met as stated in Part B, Section 12, **Contractor's**  
34 ***Personnel.***

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22.4 A record of all inspections conducted by Contractor, the corrective action taken, the time a problem is first identified, a clear description of the problem, and the time elapsed between identification and completed corrective action, shall be provided to County Contract Administrator upon request.

22.5 The method for continuing to provide services to County in the event of a human-made or natural disaster, strike or other labor action of Contractor's employees.

23. **COUNTY'S QUALITY ASSURANCE** - County Contract Administrator or its agent and the Chief Administrative Officer or its designee will evaluate Contractor's performance under this Contract, to insure contract compliance and achievement of performance standards. Such evaluation will include assessing Contractor's compliance with all contract terms.

As part of the County's quality assurance for this contract, County currently uses an outside claim auditing service to review Contractor's services. A copy of the audit evaluation for selected cases is included in Part E, Exhibit 2. Currently these audits occur quarterly and involve a detailed review of approximately 40 Case Files.

23.1 **Notice of Contract Discrepancy** - Verbal or written notification of a Contract discrepancy will be made to the Contract Manager or designee as soon as possible whenever a Contract discrepancy is identified. The Contract Manager shall resolve the problem within a time period agreed upon by County and Contractor.

23.1.1 County Contract Administrator will determine whether a formal ***Contract Discrepancy Report***, Part E, Exhibit 3 shall be issued.

23.1.2 If a Contract Discrepancy Report is issued, it will either be hand delivered or sent by certified mail to Contract Manager, who will sign for receipt.

23.1.3 Upon receipt of this document, Contractor is required to respond, via phone call and in writing, to the County Contract Administrator, within five (5) workdays, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the Contract Discrepancy Report shall be submitted within ten (10) business days.

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1           23.2   **Fraud Investigation** - County Contract Administrator or its agent will  
2                   evaluate the internal controls established by Contractor to protect against  
3                   fraudulent activity, incorrect or improper claims processing, inappropriate  
4                   settlement and/or disbursement, and any other illegal activity related to the  
5                   services provided under this Contract.

6           23.3   **Reported Deficiencies**

7                   23.3.1   When deficiencies in performance standards are noted by County,  
8                           a Program Deficiency Report shall be issued to Contractor.  
9                           Contractor shall respond in writing to the County's Contract  
10                          Administrator within five working days. Contractor's response shall  
11                          include:

12                           A.   acknowledging the reported discrepancies or presenting any  
13                               contrary evidence, and

14                           B.   present a program for their immediate correction.

15                   23.3.2   The County's Contract Administrator shall evaluate Contractor's  
16                           explanation and determine what further action, if any, should be  
17                           taken. Failure on the part of Contractor to perform at any  
18                           acceptable level shall constitute grounds for reducing amount of  
19                           payments to Contractor or termination of contract.

20           23.4   **Performance Evaluation Meetings** - Contractor and the County's Contract  
21                   Administrator shall meet during the term of the contract at regularly  
22                   scheduled locations and intervals as determined by County Contract  
23                   Administrator. The purpose of such meetings shall be to review Contractor's  
24                   performance and County's monitoring function, and to discuss methods and  
25                   plans to maintain or improve effectiveness of services provided to County  
26                   under this contract.

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**PART C  
SAMPLE CONTRACT - STANDARD TERMS AND CONDITIONS**

**AUTOMOBILE AND GENERAL LIABILITY  
CLAIMS ADMINISTRATION, AND  
LEGAL DEFENSE MANAGEMENT  
SERVICES CONTRACT**



**BY AND BETWEEN**  
  
**COUNTY OF LOS ANGELES**  
  
**AND**  
  
**(CONTRACTOR)**

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**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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EXHIBITS

- Exhibit A - Statement of Work (not attached to sample contract)
- Exhibit B - Contractor's Costs and Fees (not attached to sample contract)
- Exhibit C - County Required Forms (not attached to sample contract see Part D of the Request for Proposals)

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This Contract is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2003 BY AND BETWEEN COUNTY OF LOS ANGELES, a body corporate and politic, referred to as "COUNTY" and \_\_\_\_\_, referred to as "CONTRACTOR," currently located at \_\_\_\_\_.

**RECITALS**

WHEREAS, COUNTY desires to contract for automobile liability and selected categories of general liability claims administration and legal defense management services; and

WHEREAS, CONTRACTOR is in the business of providing for such services and for consideration is willing to provide such services to COUNTY; and

WHEREAS, such Contract is authorized pursuant to California Government Code §31000.8 and subject to the provisions of the Los Angeles County Charter;

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained in the Contract and for other good and valuable consideration, the parties agree as follows:

1. APPLICABLE DOCUMENTS - This Contract the attachments listed below form the entire agreement between the parties. Any conflict in the terms of the agreement shall be resolved by giving preference first to the provisions of the contract, then the attachments.

- 1.1 Attachment A: Statement of Work and Technical Exhibits
- 1.2 Attachment B: Contractor's Costs and Fees
- 1.3 Attachment C: Contractor Employee Acknowledgement and Confidentiality Agreement
- 1.4 Attachment E: Jury Service Program Certification
- 1.5 Attachment F: Safely Surrendered Baby Fact Sheet

2. CONTRACT TERM - The term of this Contract shall commence on the first day of the month following approval by the Board or by July 15, 2003, whichever is later, and shall continue in full force and effect for five (5) year following this date. This Contract may be extended for two additional one year periods.

In the event of expiration or prior termination of the term of this Contract, Contractor shall fully cooperate with County to provide for the transition to whatever service replacement method County determines to be in its best interest.

3. INTERPRETATION - The headings herein contained are for convenience and reference only and are not intended to define the scope of any provision thereof. The

## **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

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following words are used herein shall be construed to have the following meaning, unless otherwise apparent from the context in which they are used.

**3.1 Board of Supervisors:** The Board of Supervisors of the County of Los Angeles.

**3.2 Contract:** Agreement executed between COUNTY and CONTRACTOR. It sets forth the terms and conditions for the issuance and performance of the Statement of Work, Exhibit A.

**3.3 Contract Start Date:** The date that Contractor begins work (the start of the basic terms of the contract).

**3.4 Contract Year:** The first contract year begins the date contract term begins and continues for the following twelve (12) months. Each succeeding contract year begins the day after the day the preceding contract year ends and continues for the next twelve (12) months.

**3.5 Contractor:** The sole proprietor, partnership, or corporation that has entered into a contract with County to perform or execute the work covered by the Statement of Work.

**3.6 County Contract Administrator:** The County's Contract Administrator (CCA) is the Chief of Risk Management Operations in the Los Angeles County's Chief Administrative Office, or his duly authorized designee. The CCA is the designated agent of County for the purposes of administering County's self-insured **Automobile and General Liability Claims Administration and Legal Defense Management Services program**.

**3.7 County Fiscal Year:** A twelve (12) month period beginning July 1, and ending the following June 30.

**4. ASSIGNMENT** - Contractor shall not delegate its duties and/or assign its rights hereunder, either in whole or in part, without the prior written consent of County. Any attempted delegation and/or assignment without County's prior written consent shall be void. Any attempt by Contractor to assign or subcontract any performance of terms of this Contract without the express written consent of County shall be null and void and shall constitute a breach of the terms of this Contract. In the event of such a breach, this Contract may be terminated forthwith.

**5. AUDIT SETTLEMENT** - If, at any time during the term of the Contract or within five (5) years after the expiration or termination of the Contract, authorized representatives

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of the County conduct an audit of Contractor regarding the services provided to County hereunder, and if such audit finds that County's dollar liability for such services is less than payments made by County to Contractor, then Contractor agrees that the difference, at County's discretion, shall be either: 1) repaid forthwith by Contractor to County by cash payment, or 2) at County's option, credited against any future payments due by County, to Contractor, whether under this Contract or otherwise. If such audit finds that County's dollar liability for services provided hereunder is more than payments made by County to Contractor, then the difference shall be paid to Contractor by County provided that in no event shall County's maximum obligation for this Contract exceed the funds appropriated by County for the purpose of this Contract.

6. AUTHORIZATION WARRANTY - Contractor represents and warrants that its signatory to the Contract is fully authorized to obligate Contractor hereunder and that all corporate acts necessary to the execution of the Contract have been accomplished.

7. BUDGET REDUCTIONS - In the event that the County's Board of Supervisors adopts, during the term of this Contract, a Fiscal Year County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation correspondingly for that fiscal year and any subsequent fiscal year services provided by Contractor under the Contract. County's notice to Contractor regarding said reduction in payment obligation shall be provided within 30 days of the Board's approval of such actions. Contractor shall continue to provide all of the services set forth in the Contract.

8. CHANGES AND AMENDMENTS OF TERMS - County reserves the right to change, through negotiation, any portion of the work required under the Contract, or amend such other terms and conditions which may become necessary. Any such revisions shall be accomplished in the following manner:

8.1 For any change which does not materially affect the scope of work or any other term or condition included under this Contract, a *Change Notice* shall be prepared and signed by the County Contract Administrator and the Contractor's Contract Manager.

8.2 For any revision which materially affects the scope of work or any term and condition included in the Contract, a negotiated amendment to the Contract shall be executed by the County Board of Supervisors and Contractor *except* as provided in 6.3, herein below.

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8.3 The Chief Administrative Officer may prepare and sign *amendments* to the Contract without further action by the County Board of Supervisors under the following conditions:

8.3.1 Amendments shall be in compliance with applicable County, State and Federal regulations.

8.3.2 The amendment is for a decrease in the Contract , or changes are required in services to meet changes in County policy or requirements.

8.3.3 The County Board of Supervisors has appropriated sufficient funds.

8.3.4 The amendment is for an increase of no more than 10% of the total Contract amount, including the initial twelve (12) months and any subsequent extensions, and is necessitated by additional units of services or for additional and necessary services that are required in order for Contractor to comply with changes in County requirements.

8.3.5 The Chief Administrative Officer will file a copy of all amendments with the Executive Office of the County Board of Supervisors and Chief Administrative Office within fifteen (15) days after execution of each amendment.

9. CHANGES OF ADDRESS - Either party can designate a new address by giving written notice to the other party.

10. CIVIL RIGHTS - Contractor hereby assures that it will comply with Subchapter VI of the Civil Rights Act of 1964, 42 USC Sections 2000e through 2000e (17), to the end that no person shall, on grounds of race, creed, color, sex, national origin, age, condition of mental or physical handicap, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.

11. COMPLAINTS - Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to user complaints.

Within fifteen (15) business days after contract effective date, Contractor shall provide County with Contractor's policy for receiving, investigating and responding to user complaints.

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11.1 County will review Contractor's policy and provide Contractor with approval of said plan or with requested changes.

11.2 If County requests changes in Contractor's policy, Contractor shall make such changes and resubmit the plan within five (5) business days.

11.3 If, at any time, Contractor wishes to change Contractor's policy, Contractor shall submit proposed changes to County for approval before implementation.

Contractor shall preliminarily investigate all complaints and notify the County Contract Administrator of the status of the investigation within five (5) business days of receiving the complaint.

When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.

Copies of all written responses shall be sent to the County Contract Administrator within five (5) business days of mailing to the complainant.

12. COMPLETION OF CONTRACT - Upon expiration or termination of Contract, Contractor shall turn over to County or another vendor all County claim files, reports, documents, data files, and computer systems generated for or provided by County to service this Contract.

For two months prior to the expiration of the Contract, In addition to the other contract requirements, Contractor shall provide the consulting services of the Contract Manager and Quality Control Supervisors for orientation to insure a smooth transition from Contractor-provided services back to County or another vendor. Contractor shall make reasonable provisions for inspection and observation of work procedures of Contractor personnel during the transition period. Contractor shall provide, with no additional cost to County, current loss reports, financial reports and administrative reports in a format agreeable to County as of, or effective, the last day of this Contract.

If Contractor fails to adhere to the above work and standards, County shall have the right to withhold 50% to 100% of the last two months' payments as liquidated damages.

13. COMPLIANCE WITH LAWS

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13.1 Contractor agrees to comply with all applicable Federal, State and local laws, rules, regulations and ordinances, and all provisions required thereby to be included herein, are hereby incorporated by this reference.

13.2 Contractor shall indemnify, defend and hold harmless County from any loss, damage or liability resulting from a violation on the part of the Consultant of such laws, rules, regulations and ordinances.

14. COMPLIANCE WITH WAGE AND HOUR LAWS/FAIR LABOR STANDARDS ACT -

Contractor shall comply with all wage and hour laws and all applicable provisions of the Federal *Fair Labor Standards Act*, and shall indemnify, defend, and hold harmless County, its agents, officers and employees from any and all liability including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorney's fees arising under any wage and hour law including, but not limited to, the Federal *Fair Labor Standards Act* for services performed by Contractor's employees for which County may be found jointly or solely liable.

15. CONFIDENTIALITY - Contractor shall maintain the confidentiality of all its records, including but not limited to billing, County records, case records and patient records, in accordance with all applicable Federal, State and local laws, regulation, ordinances and directives relating to confidentiality. Contractor shall inform all of its officers, employees, and agents providing services hereunder of the confidentiality provisions of this Contract. As a condition of employment, all employees of Contractor must sign and adhere to the attached **Contractor/Employee Acknowledgment and Confidentiality Agreement** (Part D, Attachment 4). The Confidentiality Agreement shall be filed in Contractor's personnel records for the employee and Contractor shall provide a copy upon request by County.

16. CONFLICT OF INTEREST/CONTRACT PROHIBITED - Contractor represents and warrants that no County employee whose position in County enables him/her to influence the award of the Contract, or any competing Contract, and no spouse or economic dependent of such employee, is or shall be employed in any capacity by Contractor herein, or does or shall have any direct or indirect financial interest in the Contract.

Contractor represents and warrants that it is aware of, and its authorized officers have read, the provisions of *Los Angeles County Code, Section 2.180.010*, "Certain Contracts Prohibited," and that execution of the Contract will not violate those provisions. Contractor must sign and adhere to the "**Invitation for Bid/Request for Proposals Grounds for Rejection**," Part D, Attachment 3, hereunder.

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Contractor and subcontractor, if any, represent and warrant they did not, as an individual or firm or subsidiary of a firm, under Contract, assist County in the development and preparation of the Request for Proposals for Contract.

17. CONSIDERATION OF GREATER AVENUES FOR INDEPENDENCE (GAIN) OR GENERAL RELIEF OPPORTUNITIES FOR WORK (GROW) PARTICIPANTS FOR EMPLOYMENT -

Should contractor require additional or replacement personnel after the effective date of this Contract, contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program or General Relief Opportunities for Work (GROW) Program who meet contractor's minimum qualifications for the open position. County will refer GAIN/GROW participants, by job category, to contractor.

18. CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF - Should Contractor require additional or replacement personnel after the effective date of the Contract to perform the services set forth herein, Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff during the life of this Contract.

19. CONTRACTOR AVAILABILITY

19.1 Contractor's claims staff shall be accessible twenty-fours (24) hours a day seven (7) days a week to the County Contract Administrator and/or other County staff for emergency consultation and immediate reporting of losses.

19.2 Contractor shall maintain normal office hours from 8:00 a.m. to 5:00 p.m., Monday through Friday, excluding County holidays.

20. CONTRACTOR COMPENSATION - Contract fees shall be payable **EITHER** on a **Annual Fixed-Fee** basis (see Part A, Section 4.4.1), with specified **Fixed-Task Fees** as-needed (see Part A, Section 4.4.2), **OR** on a **Fixed Per-Claim Type Fee** basis (see Part A, Section 4.4.3).

20.1 Contract fees shall include all applicable taxes, and any additional taxes that are not included remain the responsibility of Contractor.

20.2 County shall reimburse Contractor for authorized indemnity, legal defense fees, and Allocated Expenses but without any additional costs for having advanced the funds (see Part B, Section 12.1). Contractor shall note that County is exempt from all court filing fee charges. Reimbursable ordinary

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expenses shall include, but are not limited to those listed in ***Disbursements***,  
Part B, Section 12.1.1.

20.3 Payment to contractor will be made quarterly in advance for the ***Annual Fixed-Fee*** and in arrears for ***Fixed-Task Fees*** and for ***Fixed Claim-Type Fee***.

20.4 Contractor is solely responsible for providing payment to those who furnish services under this contract, including all legally required compensation, wages, withholding and other employee benefits. County shall have no responsibility for the direct or indirect payment of any unemployment compensation, compensation, wages, withholding or any other employee benefit to or on behalf of any individual furnishing services under the final contract.

### **21. CONTRACTOR RESPONSIBILITY AND DEBARMENT**

21.1 A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.

21.2 Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if County acquires information concerning the performance of Contractor on this or other contracts which indicates that Contractor is not responsible, County may, in addition to other remedies provided in the contract, debar Contractor from bidding on County contracts for a specified period of time not to exceed three years, and terminate any or all existing contracts Contractor may have with County.

21.3 County may debar a contractor if the Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (1) violated any term of a contract with County, (2) committed any act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform a contract with County or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against County or any other public entity.

21.4 If there is evidence that Contractor may be subject to debarment, the Department will notify Contractor in writing of the evidence which is the basis

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for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

21.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate Length of time of the debarment. If Contractor fails to avail it self of the opportunity to submit evidence to the Contractor Hearing Board, Contractor may be deemed to have waived all rights of appeal.

21.6 A record of the hearing, the proposed decision and any other recommendation of Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Hearing Board.

21.7 These terms shall also apply to subcontractors of County Contractors.

22. CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT - Contractor acknowledges that County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. Contractor understands that it is County's policy to encourage all County contractors to voluntarily post County's *L.A.'s Most Wanted: Delinquent Parents* poster in a prominent position at Contractor's place of business. County's Child Support Services Division will supply Contractor with the poster to be used.

23. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM - Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through the Contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Contract to comply with all applicable provisions of law, Contractor warrants that it is now in compliance and shall, during the term of this Contract, maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section

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1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

24. COUNTY LOBBYISTS - Each person, by submitting a response to this Request for Proposals, certifies that such Proposer and each County lobbyist and County lobbying firm, as defined by *Los Angeles County Code, Section 2.160.010*, retained by the Proposer, is in full compliance with *Chapter 2.160* of the *Los Angeles County Code*. The Proposer shall sign the form entitled, "Familiarity of the County Lobbyist Ordinance Certification," contained in Part D, Attachment 7.
25. COUNTY'S QUALITY ASSURANCE PLAN - County or its agent will evaluate Contractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with all contract terms and performance standards. Contractor deficiencies which County determines are severe or continuing and that may place performance of the Contract in jeopardy, if not corrected, will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by County and Contractor. If improvement does not occur consistent with the corrective action measures, County may terminate this Contract or impose other penalties as specified in this Contract.
26. COVENANT AGAINST FEES - Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee excepting bona fide employees or bona fide established commercial or selling agents maintained by Contractor for the purpose of securing business. For breach or violation of this warranty, County shall have the right to terminate this Contract and, in its sole discretion, to deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.
27. DISPUTES - Any disputes between County and Contractor regarding the performance of services reflected in this Contract shall be brought to the attention of the County Contract Administrator (CCA). If the CCA is not able to resolve the dispute, it shall be resolved by the Chief Administrative Officer or designee, and this decision shall be final.
28. DISCLOSURE OF INFORMATION - Contractor shall not disclose any details in connection with this Contract to any party, except as may be otherwise provided herein or required by law. However, in recognizing Contractor's need to identify its

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services and related clients to sustain itself, County shall not inhibit Contractor from publicizing its role under this Contract within the following conditions:

28.1 Contractor shall develop all publicity material in a professional manner.

28.2 During the course of performance of this Contract, Contractor, its employees, agents, and subcontractors shall not publish or disseminate commercial advertisements, press releases, opinions or feature articles, using the name of County without County's prior consent.

28.3 Contractor shall not possess any interest, title, or right to any County case data or records. Contractor is prohibited from disclosing any identified or unidentified raw County data to any other party, or from combining any identified or unidentified raw County data with that of any other Contractor client or other party into any database or report format for any purpose whatsoever without the expressed, written authorization of County.

29. EMPLOYMENT ELIGIBILITY VERIFICATION - Contractor warrants that it fully complies with all statutes and regulations regarding the employment eligibility of aliens and others, and that all persons performing services under this Contract are eligible for employment in the United States. Contractor represents that it has secured and retained all required documentation verifying employment eligibility of its personnel. Contractor shall secure and retain verification of employment eligibility from any new personnel in accordance with the applicable provisions of law.

Contractor shall indemnify, defend and hold County harmless from any employer sanctions or other liability which may be assessed against County or Contractor by reason of Contractor's failure to comply with the foregoing.

30. FISCAL ACCOUNTABILITY - Contractor shall be required to adhere to strict fiscal and accounting standards and must comply with the principles established in *41 Code of Federal Regulations (CFR) Part 1.15, Subpart 1-15.2*, for proprietary organizations.

31. FORCE MAJEURE - In the event that performance by either party is rendered impossible (permanently or temporarily) by governmental restrictions, regulation or controls or other causes beyond the reasonable control of such party, said event shall excuse performance by such party, or in the case of temporary impossibility, shall excuse performance only for a period commensurate with the period of impossibility. Notwithstanding the foregoing, County shall have the right to terminate this Contract upon any event which renders performance impossible. In

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such case, County shall be responsible for payment of all expenses incurred to the point at which this Contract is terminated.

32. GOVERNING LAW AND VENUE - This Contract shall be governed by and construed in accordance with and governed by the laws of the State of California.

Any reference to a specific statute, regulation, or other law is deemed to include a reference to any amendment thereto as of the effective date of such amendment; further, this Contract shall be interpreted, and the parties' duties and obligations under this Contract shall be consistent with, any amendment to any applicable statute, regulation, or any other law which occurs after the effective date of this Contract.

When an action is brought by either party to this Contract, the action shall be brought in the Superior Court or the Central Civil Division of the Los Angeles Municipal Court.

33. GOVERNMENT OBSERVATIONS - Federal, State, County and/or research personnel, in addition to departmental contracting staff, may observe performance, activities, or review documents required under this Contract at any time during normal working hours. However, these personnel may not unreasonably interfere with Contractor performance.

34. GRATUITIES - It is improper for any County officer, employee or agent to solicit consideration, in any form, from a Proposer with the implication, suggestion or statement that the Proposer's provision of the consideration may secure more favorable treatment for the Proposer in the award of this Contract or that the Proposer's failure to provide such consideration may negatively affect County's consideration of the Proposer's submission. A Proposer shall not offer or give, either directly or through an intermediary, consideration, in any form, to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of this Contract.

A Proposer shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such a solicitation may result in the Proposer's submission being eliminated from consideration.

Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

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35. INDEPENDENT CONTRACTOR STATUS - This Contract is by and between County and Contractor and is not intended and shall not be construed to create a relationship of agent, servant, employee, partnership, joint venture, or association as between County and Contractor. Contractor understands and agrees that all persons furnishing services to County pursuant to this Contract are, for purposes of Workers' Compensation liability, employees solely of Contractor and not of County. Contractor shall bear the sole responsibility and liability for furnishing Workers' Compensation benefits to any person for injuries arising from or connected with services performed on behalf of Contractor pursuant to this Contract.

36. INDEMNIFICATION - Contractor shall indemnify, defend and hold harmless County, and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with Contractor's acts and/or omissions arising from and/or relating to this Contract.

Contractor shall require any tier of subcontractor to provide indemnity, defense and hold harmless as required of the Contractor.

37. INSURANCE - Without limiting Contractor's indemnification of County and during the term of this Contract, Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Contract. Such insurance shall be primary to and not contributing with any other insurance maintained by County, and such coverage shall be provided and maintained at Contractor's own expense.

37.1 **Evidence of Insurance:** Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to the **Delta Uyenoyama, Chief, Risk Management Operations, Chief Administrative Office, 3333 Wilshire, Room 820, Los Angeles, California 90010**, prior to commencing services under this Contract. Such certificates or other evidence shall:

37.1.1 Specifically identify this Contract.

37.1.2 Clearly evidence all coverages required in this Contract.

37.1.3 Contain the express condition that County is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance.

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37.1.4 Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Contract.

37.1.5 identify any deductibles or self-insured retentions for County's approval. The County retains the right to require Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to County, or, require Contractor to provide a bond guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

**37.2 Insurer Financial Ratings:** Insurance is to be provided by underwriters with an A.M. Best rating of not less than A:VII, unless otherwise approved by County.

**37.3 Failure to Maintain Coverage:** Failure by Contractor to procure and maintain the required insurance, or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of contract upon which County may immediately terminate or suspend this Contract. County, at its sole option, may obtain damages from Contractor resulting from said breach. Alternatively, County may purchase such required insurance coverage, and without further notice to Contractor, County may deduct from sums due to Contractor any premium costs advanced by County for such insurance.

**37.4 Notification of Incidents, Claims or Suits:** Contractor shall report to County any accident or incident relating to services performed under this Contract which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor or County. Such report shall be made in writing within 24 hours of occurrence. Contractor shall also report to County any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Contract, as well as any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County monies, securities or other County property entrusted to Contractor under the terms of this Contract.

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Any failure by Contractor to comply with the claim reporting provisions of its policies shall not effect the scope of the indemnity provided in Section 36 above, ***Indemnification***.

**37.5 Compensation for County Costs:** In the event that Contractor fails to comply with any provision of this Contract, and such failure to comply results in additional costs to County, Contractor shall pay full compensation for such costs. These costs will be determined solely by County.

**38. INSURANCE COVERAGE REQUIREMENTS**

**38.1 Commercial General Liability** insurance (ISO form CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate:	\$4 million
Products/Completed Operations Aggregate:	\$2 million
Personal and Advertising Injury:	\$2 million
Each Occurrence:	\$2 million

**The policy shall include coverage for bodily injury, property damage, personal injury, broad form property damage, products/completed operations, and blanket contractual liability. The policy shall contain a severability of interest provision. The commercial general liability additional insured endorsement shall be as broad as CG 20101185.**

**38.2 Automobile Liability** insurance (ISO form CA 00 01 or its equivalent) with a combined single limit of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or, coverage for "any auto".

**38.3 Workers' Compensation and Employers' Liability** insurance providing workers compensation benefits, as required by the Labor code of the State of California or by other state, and for which Contractor is responsible.

The insurance also shall include Employers' Liability coverage with limits of not less than the following

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

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38.4 **Professional Liability:** Insurance covering liability arising from any error, omission, negligent or wrongful act of Contractor, its officers or employees with limits of not less than the following:

Per occurrence:	\$2 million
Aggregate:	\$4 million

This coverage shall also provide an extended two (2) year reporting period commencing upon termination or cancellation of this Contract.

38.5 **Crime Coverage:** Insurance with limits in amounts not less than indicated below covering against loss of money, securities, or other property referred to in this Contract, and naming County as loss payee.

Employee Dishonesty:	\$5 million
Forgery or Alteration:	\$5 million
Theft, Disappearance and Destruction:	\$5 million
Computer Fraud:	\$5 million

38.6 **Health Insurance:** Contractor will provide basic health coverage for employees of Contractor who perform work under the provisions of this Contract.

39. JURY SERVICE PROGRAM COMPLIANCE - This Contract is subject to the provisions of County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

### 39.1 Written Employee Jury Service Policy:

39.1.1 Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from Contractor , on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the Employee's regular pay the fees received for jury service.

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1           39.1.2 For purposes of this Section, "Contractor" means a person,  
2           partnership, corporation or other entity which has a contract with  
3           County or a subcontract with a County contractor and has received  
4           or will receive an aggregate sum of \$50,000 or more in any 12-  
5           month period under one or more County contracts or subcontracts.  
6           "Employee" means any California resident who is a full time  
7           employee of Contractor. "Full-time" means 40 hours or more worked  
8           per week, or a lesser number of hours if: 1) the lesser number is a  
9           recognized industry standard as determined by County, or 2)  
10          Contractor has a long-standing practice that defines the lesser  
11          number of hours as full-time. Full-time employees providing short-  
12          term, temporary services of 90 days or less within a 12-month period  
13          are not considered full-time for purposes of the Jury Service  
14          Program. If Contractor uses any subcontractor to perform services  
15          for County under the Contract, the subcontractor shall also be subject  
16          to the provisions of this Section. The provisions of this Section shall  
17          be inserted into any such subcontract agreement and a copy of the  
18          Jury Service Program shall be attached to the Contract.

19          39.1.3 If Contractor is not required to comply with the Jury Service Program  
20          when the Contract commences, Contractor shall have a continuing  
21          obligation to review the applicability of its "exception status" from the  
22          Jury Service Program, and Contractor shall immediately notify  
23          County if Contractor at any time either comes within the Jury Service  
24          Program's definition of "Contractor" or if Contractor no longer  
25          qualifies for an exception to the Program. In either event, Contractor  
26          shall immediately implement a written policy consistent with the Jury  
27          Service Program. County may also require, at any time during the  
28          Contract and at its sole discretion, that Contractor demonstrate to  
29          County's satisfaction that Contractor either continues to remain  
30          outside of the Jury Service Program's definition of "Contractor"  
31          and/or that Contractor continues to qualify for an exception to the  
32          Program.

33          39.1.4 Contractor's violation of this Section of the Contract may constitute a  
34          material breach of the Contract. In the event of such material breach,  
35          County may, in its sole discretion, terminate the Contract and/or bar  
36          Contractor from the award of future County contracts for a period of  
37          time consistent with the seriousness of the breach.

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### **40. LIQUIDATED DAMAGES**

40.1 If Contractor fails to perform agreed services within the time specified, County shall reduce Contractor's billing by \$1,000 per day for services which are unfulfilled in accordance with the terms of this Contract.

40.2 If Contractor fails to provide qualified staff in accordance with the terms of this contract, County shall reduce Contractor's billing by the total monthly salary amount of the unfilled position, calculated for each month the position remains vacant.

40.3 As provided under this Contract, County Contract Administrator shall serve written notice upon Contractor of any deficiency noted. Contractor shall have up to fifteen (15) days after receipt of deficiency notice to remedy deficiency before contract credit shall be applied.

### **41. NONDISCRIMINATION IN EMPLOYMENT**

41.1 Contractor shall comply with all laws and regulations as defined in Equal Employment Opportunity EEO (*U.S. Executive Order 11246* and amended by *U.S. Executive Order 11375* and Supplemented in *Department of Labor Regulations, 41 CFR, Part 60*). Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies, are and will be treated equally by it without regard to or because of race, color, national origin, ancestry, religion, sex, marital status, political affiliation, age, or condition of disability, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Contractor shall insure that EEO and State-approved Civil Rights posters, "Equal Under The Law," are posted in all Contractor's facilities, where they are easily accessible to Contractor's employees.

41.2 Contractor shall take affirmative action to insure that applicants are employed, and employees are treated equally during employment, without regard to race, color, religion, ancestry, national origin, sex, age, condition of disability, marital status, or political affiliation. Such action shall include, but is not limited to the following: Employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

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1 41.3 Contractor shall deal with its subcontractors, bidders, or vendors without  
2 regard to or because of race, color, religion, ancestry, national origin, sex,  
3 age, condition of disability, marital status, or political affiliation.

4 41.4 Contractor shall allow County representatives access to its employment  
5 records during regular business hours to verify compliance with the  
6 provisions of this section when so requested by County.

7 41.5 Contractor shall not discriminate against any employee, or applicant for  
8 employment on the basis of race, national origin or ancestry, religion, sex,  
9 marital status, political affiliation, age or condition of disability. Practices in  
10 hiring, compensation, benefits, and firing are among the employment  
11 practices subject to this requirement.

12 41.6 If County finds that any of the above provisions have been violated, the same  
13 shall constitute a material breach of contract upon which County may  
14 determine to cancel, terminate, or suspend this Contract. While County  
15 reserves the right to determine independently that the Equal Employment  
16 Opportunity (EEO) provisions of Contract have been violated, in addition, a  
17 determination by the California Fair Employment Practices Commission or  
18 the Federal Equal Employment Opportunity Commission that Contractor has  
19 violated State or Federal EEO laws or regulations shall constitute a finding  
20 by County that Contractor has violated the EEO provisions of this Contract.

21 41.7 The parties agree that in the event Contractor violates the EEO provisions of  
22 this Contract, County shall, at its option, be entitled to a sum of five hundred  
23 dollars (\$500.00) pursuant to *California Civil Code, Section 1671*, as  
24 liquidated damages in lieu of canceling, terminating or suspending this  
25 Contract.

26 41.8 Contractor shall sign the form "Bidder's/Offeror's EEO Certification," Part D,  
27 Attachment 5, hereunder.

28 42. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT -

29 Contractor shall notify its employees, and shall require each subcontractor to notify  
30 its employees, that they may be eligible for the federal Earned Income Credit under  
31 the federal income tax laws. Such notice shall be provided in accordance with the  
32 requirements set forth in Internal Revenue Service Notice 1015 (see information  
33 available at web site <http://www.irs.gov/> and click on Earned Income Tax Credit or  
34 website [http://www.irs.gov/forms\\_pubs/pubs.html](http://www.irs.gov/forms_pubs/pubs.html) for the forms and publications.)

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43. NOTICE OF DELAYS - When either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within five (5) business days, give notice thereof, including all relevant information with respect thereto, to the other party.

The other party shall respond within five (5) business days of receipt, clarifying the stated problem(s) or delay(s), or confirming corrective action to the satisfaction of the party that originated the notice.

44. NOTICES

44.1 **Notice of Meetings** - Contractor shall provide appropriate levels of staff at all meetings requested by County. County will give five (5) business days prior notice to Contractor of the need to attend such meetings.

Contractor may verbally request meetings with County, as needed, with five (5) business days advance notice. The advance notice requirement may be waived with the mutual consent of both Contractor and County.

44.2 **Delivery of Notices** - Delivery of notices shall be accomplished by hand-delivery or enclosing the same in a sealed envelope addressed to the party for whom intended and by depositing such envelope with postage prepaid in a United States Post Office or substation thereof, or any public mail box.

44.3 **Notices to the Contractor** - Any such notice and the envelope containing same shall be addressed to Contractor at its place of business:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

44.4 **Notices to the County** - Notices and envelopes containing same to County shall be addressed to :

Rocky Armfield  
County Risk Manager  
3333 Wilshire Blvd., Suite 820  
Los Angeles, California 90010

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1           44.5   **Contractor's Notice of Office Change** - Contractor shall notify County's  
2                   Contract Administrator in writing of Contractor's intent to move and change  
3                   its business location, at least thirty (30) calendar days prior to the effective  
4                   date.

5   45.   NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW -  
6           Contractor shall notify and provide to its employees, and shall require each  
7           subcontractor to notify and provide to its employees, a fact sheet regarding the  
8           Safely Surrendered Baby Law, its implementation in Los Angeles County, and  
9           where and how to safely surrender a baby. The fact sheet is set forth in Attachment  
10          F of this Contract and is available for printing at [www.babysafela.org](http://www.babysafela.org).

11   46.   OWNERSHIP OF DATA/EQUIPMENT - County shall be sole owner of all rights, titles and  
12           interests in any and all compilations of data, reports, and deliverables which have  
13           been prepared, developed or maintained by Contractor pursuant to this Contract.

14           County shall be sole owner of all rights, title and interests in any and all equipment  
15           provided by County or purchased by Contractor with County funds, pursuant to this  
16           Contract.

17   47.   PROPRIETARY RIGHTS - County and Contractor agree that all software, materials,  
18           data and information developed under this Contract shall become the sole property  
19           of County, provided that Contractor may retain possession of all working papers  
20           prepared by Contractor. During and subsequent to the term of this Contract, County  
21           shall have the right to inspect any and all such working papers, make copies  
22           thereof, and use the working papers and the information contained therein.

23           Any materials, data and information not developed under this Contract, which  
24           Contractor considers to be proprietary and confidential, shall be plainly and  
25           prominently marked by Contractor as "TRADE SECRET," "PROPRIETARY," OR  
26           "CONFIDENTIAL." County will use reasonable means to insure that Contractor's  
27           proprietary and confidential materials, data and information are safeguarded and  
28           held in confidence. County agrees not to reproduce or distribute such materials,  
29           data and information to non-County entities without the prior written permission of  
30           Contractor.

31           Notwithstanding any other provision of this Contract, County shall not be obligated  
32           in any way for:

33   47.1   Any materials, data and information not plainly and prominently marked with  
34           restrictive legends as set forth in this Section 45;

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47.2 Any materials, data and information covered under this Section 45;

47.3 Any disclosure of any materials, data and information which County is required to make under the California Public Records Act or otherwise by law.

Contractor shall protect the security of and keep confidential all materials, data and information received or produced under this Contract. Further, Contractor shall use whatever security measures are necessary to protect all such materials, data and information from loss or damage by any cause, including, but not limited to, fire and theft.

Contractor shall not disclose to any party any information identifying, characterizing or relating to any risk, threat, vulnerability, weakness or problem regarding data security in County's computer systems, or to any safeguard, countermeasure, contingency plan, policy or procedure for data security contemplated or implemented by County, without County's prior written consent.

The provisions of Part C, Section 47, **Records Retention and Inspection**, shall survive the expiration or termination of this Contract.

48. RECORDS - Contractor shall maintain books, records, documents and other evidence, and accounting procedures and practices sufficient to support all claims for payment made by Contractor to County. Such records shall be kept in accordance with Section 48, **Records Retention and Inspection**.

49. RECORDS RETENTION AND INSPECTION - Contractor agrees that County, State and Federal representatives or any duly authorized representatives thereof, shall, at any reasonable time, have access to and the right to examine, monitor, audit, excerpt, copy or transcribe any pertinent transaction, activity, time cards, or other records relating to this Contract at no cost to County. Such material, including all pertinent costs, accounting, financial records and proprietary data shall be kept and maintained by Contractor for a period of five (5) years after the term of this Contract, unless County Contract Administrator's written permission is given to dispose of such material prior to the end of such period, or until audited, whichever is longer. County may require specific records be retained longer than five (5) years when there is outstanding litigation, unresolved disputes or any audit.

Other required documents to be retained include, but not limited to:

49.1 Invoices/Check Stubs: Monthly and any supplemental invoices and reimbursement check stubs.

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49.2 Confidentiality Agreement: **Contractor Employee Acknowledgment and Confidentiality Agreement** signed forms (Part D, Attachment 4).

49.3 Licenses: Fire Permit, Elevator License, if applicable, Business licenses and Certifications relating to curriculum, facilities and instructors.

49.4 Action Items from Performance Evaluation Meetings: County Contract Administrator (CCA) writes the action items from any Performance Evaluation Meetings and provides them to Contractor for follow-up and retention.

County, its Auditor-Controller or designee, hereby retains the right to conduct, during normal business hours, an audit and re-audit of the books, records, and business conducted by Contractor and observe the operation of the business so that accuracy of the above records and any of Contractor's invoices for services provided can be confirmed.

49.5 All such material shall be maintained by Contractor at a location in Los Angeles County, provided that if such material is located outside Los Angeles County, either (1) pay County for travel, per diem, and other costs incurred by County to examine, audit, excerpt, copy or transcribe such material at such other location, or (2) pay to have such materials promptly returned to a Contractor facility located in Los Angeles County for examination by County.

49.6 Failure on the part of Contractor to comply with the provisions of this Section 49 shall constitute a material breach of this Contract upon which County may terminate or suspend this Contract.

50. RECYCLED BOND PAPER - Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at County landfills, Contractor Agrees to use recycled-content paper to the maximum extent possible on this Contract.

51. SPECIAL PROVISION CONCERNING ASSUMPTION OF CLAIMS - Upon mutual agreement between County and Contractor, Contractor shall assume County claims from other County Claims Administrators at substantially the same terms of this Contract.

52. SUBCONTRACTING - No performance of this Contract or any portion thereof may be subcontracted by Contractor without the express written consent of County. This written consent shall be provided by way of amendment executed by the Chief Administrative Officer pursuant to Part C, Section 8, **Changes and Amendments**

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**of Terms.** Any attempt by Contractor to subcontract any performance of the terms of this Contract without the express written consent of County shall be null and void and shall constitute a breach of the terms of Contract. In the event of such a breach, the Contract may be terminated forthwith. County's determination of whether to approve Contractor's request to subcontract shall be completely within the discretion of County.

Subcontracts shall be made in the name of Contractor and shall not bind nor purport to bind County. The making of subcontracts hereunder shall not relieve Contractor of any requirement under the Contract, including, but not limited to, the duty to properly supervise and coordinate the work of subcontractors. Approval of the provisions of any subcontract by County shall not be construed to constitute a determination of the allowability of any cost under the Contract. In no event shall approval of any subcontract by County be construed as effecting any increase in the amount provided for in the Contract. Contractor's request for approval to enter into a subcontract shall include:

52.1 A description of the service to be provided by the proposed subcontractor;

52.2 Identification of the proposed subcontractor and an explanation of why and how it was selected, including the degree of competition obtained;

52.3 An indication whether the proposed subcontractor's firm is a minority, women-owned, disadvantaged, or disabled veterans business enterprise;

52.4 A resume of the potential subcontractor's background and experience.

In the event that County should consent to subcontracting, Contractor shall include, in all subcontracts, the following provision: *"This Contract is a subcontract under the terms of a prime contract with the County of Los Angeles. All representations and warranties shall inure to the benefit of the County of Los Angeles."*

53. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM - Failure of Contractor to maintain compliance with the requirements set forth in Part C, Section 23, **Contractor's Warranty of Adherence to County's Child Support Compliance Program**, shall constitute a default by Contractor under this Contract. Without limiting the rights and remedies available to County under any other provision of this Contract, failure to cure such default within ninety (90) days of notice by the Los Angeles County DA shall be grounds upon which the County Board of Supervisors may terminate this Contract pursuant to Part C, Section 53, **Termination For Default of The Contractor.**

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1 54. TERMINATION FOR CONVENIENCE OF THE COUNTY - Performance of services under  
2 this Contract may be terminated by County, in whole or in part, when such action is  
3 deemed by County to be in its best interest. Termination of work shall be effected  
4 by delivery to Contractor of a thirty (30) calendar day, prior written Notice of  
5 Termination. The Notice of Termination shall specify the extent to which  
6 performance of work is terminated and the date upon which such termination  
7 becomes effective.

8 After receipt of the Notice of Termination and except as otherwise directed by  
9 County, Contractor shall:

10 54.1 Immediately stop services under this Contract on the date and to the extent  
11 specified in the Notice of Termination.

12 54.2 Complete performance of such part of the work as shall not have been  
13 terminated by the Notice of Termination.

14 54.3 Submit to County, in the form and with the certifications as may be  
15 prescribed by County, its termination claim and invoice. Such claim and  
16 invoice shall be submitted promptly, but not later than three (3) months from  
17 the effective date of termination. Upon failure of Contractor to submit its  
18 termination claim and invoice within the time allowed, County may  
19 determine, on the basis of information available to County, the amount, if  
20 any, due to Contractor in respect to the termination and such determination  
21 shall be final. After such determination is made, County shall pay Contractor  
22 the amount so determined.

23 54.4 Upon termination of this Contract, Contractor shall deliver to County all work  
24 completed or in progress, including all data, reports and deliverables within  
25 ten (10) business days after termination of this Contract.

26 54.5 Upon termination of this Contract, Contractor shall comply with the provisions  
27 of Part C, Section 49, **Records Retention and Inspection**, herein above.

28 54.6 If, during the term of this Contract, County funds appropriated for the  
29 purposes of this Contract are reduced or eliminated, County may  
30 immediately terminate this Contract upon written notice to Contractor.

31 54.7 Subject to the provisions of Subparagraph 54.3 above, County and  
32 Contractor shall negotiate an equitable amount to be paid to Contractor by  
33 reason of the total or partial termination of work pursuant to this Section 54.

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Said amount may include a reasonable allowance for overhead on work done but shall not include an allowance on work terminated. County shall pay the agreed amount, subject to other limitations and provided that such amount shall not exceed the total funding obligated under this Contract, as reduced by the amount of payments otherwise made and as further reduced by the contract price of work not terminated.

55. TERMINATION FOR DEFAULT OF THE CONTRACTOR - County may, subject to the provisions outlined below, by written notice of default to Contractor, terminate the whole or any part of this Contract in any one of the following circumstances:

55.1 If Contractor fails to perform the service within the time specified or, with prior County approval, any extension thereof; or

55.2 If Contractor fails to perform any of the other provisions of this Contract, or so fails to make progress as to endanger performance of this Contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of three (3) calendar days (or such longer period as County may authorize in writing) after receipt of notice from County specifying such failure; or

55.3 In the event County terminates this Contract in whole or in part as provided in this Section 55, County may procure, upon such terms and in such manner as County may deem appropriate, services similar to those terminated. Contractor shall be liable to County for any incremental and excess costs for such similar services;

55.4 If, after giving Notice of Termination of this Contract under the provisions of this Section 55, it is determined for any reason that Contractor was not in default under the provisions of this Section 55 or that the default was excusable, the rights and obligations of the parties shall be the same as if the Notice of Termination had been issued pursuant to Part C, Section 54, Termination For Convenience of the County, herein above; or

55.5 Upon termination of this Contract, Contractor shall adhere to the termination provisions of this Section 55 herein above.

56. TERMINATION FOR IMPROPER CONSIDERATION - County may, by written notice to Contractor, immediately terminate the right of Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable

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1 treatment with respect to the award, amendment or extension of this Contract or the  
2 making of any determinations with respect to Contractor's performance pursuant to  
3 this Contract. In the event of such termination, County shall be entitled to pursue the  
4 same remedies against Contractor as it could pursue in the event of default by  
5 Contractor.

6 Contractor shall immediately report any attempt by a County officer or employee to  
7 solicit such improper consideration. The report shall be made either to the County  
8 manager charged with the supervision of the employee or to the County Auditor-  
9 Controller's employee Fraud Hotline at (213)974-0914 or (800) 544-6861.

10 Among other items, such improper consideration may take the form of cash,  
11 discounts, services, the provision of travel or entertainment, or tangible gifts.

12 57. TERMINATION FOR NON-APPROPRIATION OF FUNDS - County's obligation is payable  
13 only from funds appropriated for the purpose of this Contract. All funds for  
14 payments after the end of the current fiscal year are subject to Federal, State or  
15 County's legislative appropriation for this purpose. In the event this Contract  
16 extends into succeeding fiscal year periods and the Board of Supervisors or the  
17 State or Federal Legislature does not allocate sufficient funds for the next  
18 succeeding fiscal year payments, services shall automatically be terminated as of  
19 the end of the then current Fiscal Year.

20 County shall make a good faith effort to notify Contractor, in writing, of such non-  
21 appropriation at the earliest time.

22 58. TERMINATION NOTICES - In the event of suspension or termination of the Contract,  
23 written notices may also be given upon personal delivery to any person whose  
24 actual knowledge of such termination would be sufficient notice to Contractor.

25 59. TIMELY COMPLETION - Time is of the essence in the completion of service and work  
26 as stipulated in this Contract.

27 60. TRADE SECRETS - Recognizing that County has no way to safeguard trade secrets  
28 or proprietary information, Contractor shall hold County harmless from all damages,  
29 costs, and expenses by reason of any disclosure by County of trade secrets and  
30 proprietary information.

31 61. VALIDITY - The invalidity, in whole or in part, of any provision of this Contract shall not  
32 void or affect the validity of any other provision.

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62. WAIVER - No waiver of a breach of any provision of this Contract by County will constitute a waiver of any other breach of said provision or any other provision of this Contract. Failure of County to enforce, at any time or from time to time, any provision of this Contract, shall not be construed as a waiver thereof. No waiver shall be enforced unless said waiver is set forth in writing.

63. WARRANTY - Contractor warrants that all services performed hereunder will comply with Part B, **Statement of Work**, herein above, any specifications related thereto, and that all such services shall be performed in accordance with the ordinary skill and care observed in the industry by those knowledgeable, trained and experienced in rendering similar services at the time such services are performed.

Contractor shall, within twenty-four (24) hours after oral or written notice from County, correct any and all defects, deficiencies, errors or omissions in services rendered to County. The correction of such defects, deficiencies, errors or omissions shall be at no cost to County.

64. WORK

64.1 Pursuant to the provisions of this Contract, Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in the Part B, **Statement of Work**.

64.2 If Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of Contractor, and Contractor shall have no claim whatsoever against County.

65. CONTRACTOR'S OBLIGATIONS AS A "BUSINESS ASSOCIATE" UNDER HIPAA - The performance of CONTRACTOR's obligations under the Contract could require Contractor's receipt of or access to Health Information. County is subject to the Administrative Simplification requirements of the Health Insurance Portability and Accountability Act (HIPAA) of 1996, and regulations promulgated thereunder, including the Standards for Privacy of Individually Identifiable Health Information at 45 Code of Federal Regulations ("C.F.R.") Parts 160 and 164 ("Privacy Regulations"). The Privacy Regulations require County to enter into a contract with Contractor, in its role as a "business associate" under the Privacy Regulations, in order to mandate certain protections for the privacy and security of Health Information. The provisions of this section 61 set forth the obligations of Contractor as a "business associate" under the Privacy Regulations.

65.1 For purposes of this section 65, the following definitions apply:

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65.1.1 "Disclose," "Disclosed" and "Disclosure" mean, with respect to Health Information, the release, transfer, provision of access to, or divulging in any other manner of Health Information outside Contractor's internal operations or to other than its employees.

65.1.2 "Health Information" means information that (i) relates to the past, present or future physical or mental health or condition of an individual; the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual; (ii) identifies the individual (or for which there is a reasonable basis for believing that the information can be used to identify the individual); and (iii) is received by Contractor from or on behalf of County, or is created by Contractor, or is made accessible to Contractor by County.

65.1.3 "Use" (in both its verb and noun forms) or "Uses" mean, with respect to Health Information, the sharing, employment, application, utilization, examination or analysis of such Information within Contractor's internal operations.

65.2 Permitted Uses and Disclosures of Health Information. Contractor:

65.2.1 shall Use and Disclose Health Information as necessary or appropriate to perform the services of this Contract;

65.2.2 shall Disclose Health Information to County upon request;

65.2.3 may, as necessary for the proper management and administration of its business or to carry out its legal responsibilities:

65.2.4 Use Health Information; and

65.2.5 Disclose Health Information if (i) the Disclosure is required by law, or (ii) Contractor obtains reasonable assurance from the person to whom the information is Disclosed that the Health Information will be held confidentially and Used or further Disclosed only as required by law or for the purpose for which it was Disclosed to the person, and the person agrees to notify Contractor of any instances of which the person is aware in which the confidentiality of the Health Information has been breached.

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65.2.6 Contractor shall not Use or Disclose Health Information for any other purpose.

65.3 Adequate Safeguards for Health Information. Contractor warrants that it shall implement and maintain appropriate safeguards to prevent the Use or Disclosure of Health Information in any manner other than as permitted by this section 65.

65.4 Reporting Non-Permitted Use or Disclosure. Contractor shall report to County each Use or Disclosure that is made by Contractor, its employees, representatives, agents or subcontractors but is not specifically permitted by this Contract. The initial report shall be made by telephone call to County's Privacy Officer within forty-eight (48) hours from the time Contractor becomes aware of the non-permitted Use or Disclosure, followed by a written report to the Privacy Officer no later than five (5) days from the date Contractor becomes aware of the non-permitted Use or Disclosure.

65.5 Availability of Internal Practices, Books and Records to Government Agencies. Contractor agrees to make its internal practices, books and records relating to the Use and Disclosure of Health Information available to the Secretary of the federal Department of Health and Human Services for purposes of determining County's compliance with the Privacy Regulations.

65.6 Access to and Amendment of Health Information. Contractor shall, to the extent County determines that any Health Information constitutes a "designated record set" under the Privacy Regulations, (a) make the Health Information specified by County available to the individual(s) identified by LA COUNTY as being entitled to access and copy that Health Information, and (b) make any amendments to Health Information that are requested by County. Contractor shall provide such access and make such amendments within the time and in the manner specified by County.

65.7 Accounting of Disclosures of Health Information. Upon County's request, Contractor shall provide to County an accounting of each Disclosure of Health Information made by Contractor or its employees, agents, representatives or subcontractors. The accounting shall include: (a) the date of the Disclosure; (b) the name, and address if known, of the entity or person who received the Health Information; (c) a brief description of the Health Information disclosed; and (d) a brief statement of the purpose of the Disclosure. For each Disclosure, Contractor shall track the information specified in (a) through (d), above, and shall securely maintain the information for six (6) years from the date of the Disclosure.

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
LEGAL DEFENSE MANAGEMENT SERVICES**

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1           65.8   Term and Termination. In addition to and notwithstanding the termination  
2                   provisions set forth in the Contract, the Contract may be terminated  
3                   immediately upon written notice by County to Contractor if County  
4                   determines, in its sole discretion, that Contractor has violated any material  
5                   term of this section 65. Contractor's obligations under subsections 65.2  
6                   through 65.11 and including of this section 61 shall survive the termination or  
7                   expiration of the Contract.

8           65.9   Disposition of Health Information Upon Termination or Expiration. Upon  
9                   termination or expiration of the Contract, Contractor shall either return or  
10                  destroy, in County's sole discretion and in accordance with any instructions  
11                  by County, all Health Information in the possession or control of Contractor or  
12                  its agents and subcontractors. However, if County determines that neither  
13                  return nor destruction of Health Information is feasible, Contractor may retain  
14                  Health Information provided that Contractor (a) continues to comply with the  
15                  provisions of this section 65 for as long as it retains Health Information, and  
16                  (b) further limits Uses and Disclosures of that Health Information to those  
17                  purposes that make its return or destruction infeasible.

18          65.10 No Third Party Beneficiaries. There are no third party beneficiaries to the  
19                  provisions of this section 65.

20          65.11 Use of Subcontractors and Agents. Contractor shall require each of its  
21                  agents and subcontractors that receive Health Information from Contractor to  
22                  execute a written agreement obligating the agent or subcontractor to comply  
23                  with all the terms of this section 65.

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
LEGAL DEFENSE MANAGEMENT SERVICES**

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1 IN WITNESS WHEREOF, Contractor has executed this Contract, or caused it to be  
2 duly executed and the County of Los Angeles, by order of its Board of Supervisors has  
3 caused this Contract to be executed on its behalf by the Chair of said Board and attested  
4 by the Executive Officer-Clerk of the Board of Supervisors thereof, the date and year first  
5 above written.

**COUNTY OF LOS ANGELES**

By \_\_\_\_\_  
Chairman, Board of Supervisors

**ATTEST:**

VIOLET VARONA-LUKENS, Executive Officer  
Clerk of the Board of Supervisors

By \_\_\_\_\_

**APPROVED AS TO FORM:**

LLOYD W. PELLMAN  
County Counsel

By \_\_\_\_\_  
Deputy County Counsel

**CONTRACTOR**

By \_\_\_\_\_

## PART D REQUIRED FORMS

# RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES

## REQUIRED BID AND COST INFORMATION FOR AUTOMOBILE AND GENERAL LIABILITY CLAIMS ADMINISTRATION AND LEGAL DEFENSE MANAGEMENT SERVICES

PART D / ATTACHMENT 1

### REQUIRED BID SHEET

It is **mandatory** to bid both as (1.) **Fixed-Annual Fee WITH Fixed-Task Fee pricing** AND as (2) **Fixed Per-Claim Type Fee** as shown below.

#### 1. **Fixed-Annual Fee** as required in Part A, Section 4.4.1

One-Time Start-up Cost: \$ \_\_\_\_\_

Contract Year	#1	#2	#3	#4	#5
<b>Annual Fixed Fee</b>	\$	\$	\$	\$	\$

WITH **Fixed-Task Fee pricing** as required in Section 4.4.2,

Section Reference	FIXED-TASK FEE SERVICES	(4.4.2) <b>FIXED-TASK FEE</b>				
		Cost Per Task for Each Contract Year				
		# 1	# 2	# 3	# 4	# 5
Section	Fee per case file if caseload exceeds 2,100 open cases	\$	\$	\$	\$	\$
Section	Subrogation Fee for <u>Non-litigated</u> case files (Percent of applicable amount recovered)	%	%	%	%	%
	Subrogation Fee for <u>Litigated</u> case files (Percent of applicable amount recovered)	%	%	%	%	%

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
LEGAL DEFENSE MANAGEMENT SERVICES**

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**REQUIRED BID SHEET (Continued)**

**2. Fixed Per-Claim Type Fee** as required in Part A, Section 4.4.3.

<b>Claim type</b>	<b>Per-Claim Fee</b>
Vehicle Property Damage	\$
Vehicle Property Damage - Additional Claimant	\$
Vehicle Bodily Injury	\$
Vehicle Bodily Injury - Additional Claimant	\$
General Liability Property Damage	\$
General Liability Property Damage - Additional Claimant	\$
General Liability Bodily Injury/Personal Injury	\$
General Liability Bodily Injury/Personal Injury - Additional Claimant	\$
Litigation Management	\$
Incident Management	\$

The fees quoted are for the administration of claims to conclusion or to conclusion/termination of contract, whichever occurs first, and must include all services specified in Part B, Statement of Work. We understand that the County is not guaranteeing any specified number of claims, or lawsuits during the term of this Contract. The computations used to arrive at the costs entered above, are as shown in the following budget sheet.

**THIS BID SHALL REMAIN IN EFFECT FOR 180 DAYS FOLLOWING THE LAST DAY TO SUBMIT PROPOSALS.**

Name of Company: \_\_\_\_\_

Signature of Authorized Company Representative: \_\_\_\_\_

Title \_\_\_\_\_ Date \_\_\_\_\_

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
LEGAL DEFENSE MANAGEMENT SERVICES**

**REQUIRED BID AND COST INFORMATION FOR  
AUTOMOBILE AND GENERAL LIABILITY CLAIMS ADMINISTRATION  
AND LEGAL DEFENSE MANAGEMENT SERVICES**

**PART D / ATTACHMENT 1**

**REQUIRED BUDGET SHEET**

The office staffing and expense details are configured in the table below. The office must provide all services required by this Request for Proposals.

Item	Expense Class	Full-time Equivalent	Expense Detail	ANNUAL COST					
				Start-Up Cost	Contract Year				
					# 1	# 2	# 3	# 4	# 5
1	Salary		Contract Manager						
2	Salary		Accountant/ Financial Manager						
3	Salary		Admin. Staff						
4	Salary		Information Systems Manager						
5	Salary		Claims Manager						
6	Salary		Supervising Claims Specialist (see Part B, Section 15.3.1 for maximum workload)						
7	Salary		Claims Specialists (see Part B, Section 15.3.2 for maximum workload)						
<b>Subtotal Salary Expense</b>									

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
LEGAL DEFENSE MANAGEMENT SERVICES**

Item	Expense Class	Full-time Equivalent	Expense Detail	ANNUAL COST					
				Start-Up Cost	Contract Year				
					# 1	# 2	# 3	# 4	# 5
9	Office Expense		Rent						
10	Office Expense		Utilities						
11	Office Expense		Telephone						
12	Office Expense		Insurance						
13	Office Expense		Equipment						
14	Office Expense		Office Supplies						
15	Office Expense		Postage						
16	Office Expense		Photography						
17	Office Expense		Professional Fees						
18	Office Expense		Misc. Overhead						
<b>Subtotal Office Cost</b>									
19	Overhead								
<b>Total Annual Cost</b>				\$	\$	\$	\$	\$	\$

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
LEGAL DEFENSE MANAGEMENT SERVICES**

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**REQUIRED BID AND COST INFORMATION FOR  
AUTOMOBILE AND GENERAL LIABILITY CLAIMS ADMINISTRATION  
AND LEGAL DEFENSE MANAGEMENT SERVICES**

**PART D / ATTACHMENT 1**

**EMPLOYEE BENEFITS  
Medical Insurance/Health Plan**

Employer Pays \$\_\_\_\_\_ Employee Pays \$\_\_\_\_\_ Total Premium \$\_\_\_\_\_

Annual Deductible:

Employee \$\_\_\_\_\_

Family \$\_\_\_\_\_

Coverage (✓):

\_\_\_\_\_ Hospital Care (Inpatient \_\_\_\_\_ Out Patient \_\_\_\_\_)

\_\_\_\_\_ X-Ray & Laboratory

\_\_\_\_\_ Surgery

\_\_\_\_\_ Office Visits

\_\_\_\_\_ Pharmacy

\_\_\_\_\_ Maternity

\_\_\_\_\_ Mental Health/Chemical Dependency, Inpatient

\_\_\_\_\_ Mental Health/Chemical Dependency, Outpatient

**Dental Insurance**

Employer Pays \$\_\_\_\_\_ Employee Pays \$\_\_\_\_\_ Total Premium \$\_\_\_\_\_

**Life Insurance**

Employer Pays \$\_\_\_\_\_ Employee Pays \$\_\_\_\_\_ Total Premium \$\_\_\_\_\_

**Vacation**

Number of Days \_\_\_\_\_, And

Any Increase After \_\_\_\_\_ Years of Employment, Number of Days or Hours \_\_\_\_\_

**Sick leave**

Number of Days \_\_\_\_\_ Per Year, And

Any Increase or Accumulation, Number of Days or Hours \_\_\_\_\_

**Holidays**

Number of Days \_\_\_\_\_ Per Year

**Retirement**

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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Employer Pays \$\_\_\_\_\_ Employee Pays \$\_\_\_\_\_ Total \$\_\_\_\_\_

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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**PART D / ATTACHMENT 2**

**PRESENTATION AND CERTIFICATIONS**

Certification of Independent Price Determination

1. By submission of this Proposal, the potential contractor certifies that the prices quoted herein have been arrived at independently without consultation, communication or agreement with any other Proposer or competitor for the purposes of restricting competition.
2. List and attach the names of all joint ventures, partners, sub-contractors or others having any right of interest in this contract or the proceeds thereof.

This page shall include the signature of the person(s) authorized to bind the applicant in a contract.

\_\_\_\_\_  
(Corporate Name)

\_\_\_\_\_  
(Firm Name)

BY:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Typed Name and Title of Signature)

BY:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Typed Name and Title of Signature)

Los Angeles, California

Date: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

Phone: \_\_\_\_\_

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
LEGAL DEFENSE MANAGEMENT SERVICES**

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**PART D / ATTACHMENT 3**

**INVITATION FOR BID/REQUEST FOR PROPOSALS  
GROUNDS FOR REJECTION**

*Los Angeles County Code* Chapter 2.180.010, "Certain Contracts Prohibited" sets forth, among other things, the following:

Notwithstanding any other section of this *Code*, County shall not contract with, and shall reject any bid or proposal submitted by the persons or entities specified below, unless the Board of Supervisors finds that special circumstances exist which justify the approval of such contract:

- (a) Employees of County or of public agencies for which the Board of Supervisors is the governing body;
- (b) Profit making firms or businesses in which employees described in subsection (a) serve as officers, principals, partners or major shareholders;
- (c) Persons who, within the immediately preceding twelve (12) months, came within the provisions of subsection (a), and who (1) were employed in positions of substantial responsibility in the area of service to be performed by Contractor, or (2) participated in any way in developing the Contract or its service specification; and
- (d) Profit making firms or businesses in which the former employees described in subsection (c) serve as officers, principals, partners or major shareholders.

Contractor hereby certifies that personnel who developed and/or participated in the preparation of the Contract do not fall within scope of *Code Section 2.180.010* as outlined above.

\_\_\_\_\_  
Typed Name and Title of Signer

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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**PART D / ATTACHMENT 4**

**PAGE 1 OF 2**

**CONTRACTOR EMPLOYEE ACKNOWLEDGMENT  
AND CONFIDENTIALITY AGREEMENT**

General Information

Your employer, \_\_\_\_\_, has entered into a contract with the County of Los Angeles to provide various services to County. Therefore, we need your signature on this employer acknowledgment and confidentiality agreement.

Employer Acknowledgment

I understand that \_\_\_\_\_ is my sole employer for purposes of this agreement.

I understand and agree that I am not an employee of Los Angeles County for any purpose and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles during the period of this employment.

I understand and agree that I do not have and will not acquire any rights or benefits pursuant to any agreement between my employer, \_\_\_\_\_ and the County of Los Angeles.

Confidentiality Agreement

As an employee of \_\_\_\_\_, you may be involved with work pertaining to County services, and, if so, you may have access to confidential data pertaining to persons or entities represented by the Office of the County Counsel. The County Counsel's office or designated private law firm has a confidential attorney/client relationship with its clients. All personnel who perform services pursuant to this agreement are bound by that confidential relationship, which is set forth in the California Evidence Code, Article 3, and the California Code of Professional Responsibility. In addition, County has a legal obligation to protect all confidential data in its possession, especially data concerning health, criminal and welfare recipient as well as that protected by the attorney/client privilege. Consequently, you must sign this Confidentiality Agreement for the County of Los Angeles.

Please read the attached Agreement and take due time to consider it prior to signing.

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
LEGAL DEFENSE MANAGEMENT SERVICES**

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**PART D / ATTACHMENT 4**

PAGE 2 OF 2

**CONTRACTOR EMPLOYEE ACKNOWLEDGMENT AND  
CONFIDENTIALITY AGREEMENT**

I hereby agree that I will not divulge to any unauthorized person, data obtained while performing work pursuant to the contract between \_\_\_\_\_ and the County of Los Angeles.

I agree to forward all requests for the release of information received by me to my immediate supervisor.

I have been informed by my employer of Article 9 of Chapter 4 of Division 3 (Commencing with 6150) of the California Business and Professions Code (i.e. State Bar Act provisions regarding unlawful solicitations as a runner or capper for attorneys) which states:

“ . . . It is unlawful for any person, in his individual capacity or in his capacity as a public or private employee, or for any firm, corporation or partnership or association to act as a runner or capper for any such attorneys to solicit any business for such attorneys. . . ”

I have also been informed by my employer of Labor Code Section 3219 (i.e. provisions stating it is a felony to offer compensation to claims adjusters and/or for adjusters to accept compensation) which states:

“ . . . any person acting individually or through his or her employee or agents, who offers or delivers any rebate, refund, commission, preference, patronage, dividend, discount, or other consideration to any adjuster of claims for compensation, as defined in Section 3207, as compensation, inducement, or reward for the referral or settlement of any claim, is guilty of a felony. . . ”

I agree to report any and all violations of the above by any other person and/or by myself to my immediate supervisor, and I agree to insure that said supervisor reports such violation to the County of Los Angeles, Department of Human Resources. I agree to return all confidential materials to my immediate supervisor upon termination of my employment with \_\_\_\_\_ or upon completion of the presently assigned work task, whichever occurs first.

I acknowledge that violation of this Agreement & Acknowledgment may subject me to civil and/or criminal action and that the County of Los Angeles will seek all possible legal redress.

Signature \_\_\_\_\_ Dated \_\_\_\_\_

Printed Name \_\_\_\_\_

Position/Title \_\_\_\_\_

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
LEGAL DEFENSE MANAGEMENT SERVICES**

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**PART D / ATTACHMENT 5**

**BIDDER'S/OFFEROR'S EEO CERTIFICATION**

\_\_\_\_\_  
Bidder's/Offeror's Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
Internal Revenue Service Employer Identification Number

**General**

In accordance with Section 22001, Administrative Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and shall be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

**Contractor's Certification**

1. The bidder/offeror has a written policy statement prohibiting discrimination in all phases of employment.

☐ YES

☐ NO

2. The bidder/offeror periodically conducts a self analysis on utilization of its work force.

☐ YES

☐ NO

3. The bidder/offeror has a system for determining if its employment practices are discriminatory against protected groups.

☐ YES

☐ NO

4. Where problem areas are identified in employment practices, the bidder/offeror has a system for taking reasonable corrective action, to include establishment of goals and timetables.

☐ YES

☐ NO

Signature \_\_\_\_\_

Print Name and Title \_\_\_\_\_

Date \_\_\_\_\_

# RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES

## LOS ANGELES COUNTY COMMUNITY BUSINESS ENTERPRISE(CBE) PROGRAM

### FIRM/ORGANIZATION INFORMATION

INSTRUCTIONS: All proposers responding to this solicitation must return this form for proper consideration of the proposal. The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR § 23.5.

I. **TYPE OF BUSINESS STRUCTURE:** \_\_\_\_\_  
(Non-profit, corporation, Partnership, Sole Proprietorship, etc.)

If you are a non-profit, please skip sections II through V and fill in the name of the firm and sign on page 2.

II. **TOTAL NUMBER OF EMPLOYEES IN FIRM (including owners):** \_\_\_\_\_

III. **RACE/ETHNIC COMPOSITION OF FIRM** (Partners, Associates Partners, Managers, Staff, Etc.). Please break down the above total number of employees into the following categories:

	OWNERS/PARTNERS/ASSOCIATE PARTNERS		MANAGERS	STAFF
	Male	Female		
Black/African American				
Hispanic/Latino				
Asian or Pacific Islander				
American Indian/Alaskan Native				
Filipino American				
White				

IV. **PERCENTAGE OF OWNERSHIP IN FIRM** Please indicate by percentage (%) how ownership of the firm is distributed.

	Black/African American	Hispanic/Latino	Asian or Pacific Islander	American Indian/Alaskan Native	Filipino American	White
Men	%	%	%	%	%	%
Women	%	%	%	%	%	%

V. **CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERAN BUSINESS ENTERPRISES** Is your firm currently certified as a minority, women-owned, disadvantaged or disabled veteran business enterprise by a public agency? (If yes, complete the following and attach a copy of your proof of certification.)

	M	W	D	DV	Expiration Date	
Agency						
Agency						
Agency						
Agency						
Agency						

# **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

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LEGEND:

M = Minority; W = Women; D = Disadvantaged; DV = Disabled Veteran

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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**CBE SANCTIONS**

It's the policy of the County of Los Angeles Board of Supervisors that it is unlawful for any person to knowingly submit fraudulent information with the intent of receiving CBE certification and its concurrent benefits for which they are not entitled.

1. A person or business shall not:
  - a. Knowingly and with the intent to defraud, fraudulently obtain, retain, attempt to obtain or retain, or aid another in fraudulently obtaining or retaining or attempting to obtain or retain, acceptance or certification as a minority or women business enterprise, or both, for the purposes of this article.
  - b. Willfully and knowingly make a false statement with the intent to defraud, whether by affidavit, report, or other representation, to a County official or employee for the purpose of influencing the acceptance or certification or denial of acceptance or certification of any entity as a minority or women business enterprise, or both.
  - c. Willfully and knowingly obstruct, impede, or attempt to obstruct or impede, any county official or employee who is investigating the qualifications of a business entity which has requested acceptance or certification as a minority or women business enterprise, or both.
  - d. Knowingly and with intent to defraud, fraudulently obtain, attempt or obtain, or aid another person or business in fraudulently obtaining or attempting to obtain, public moneys to which the person or business is not entitled under this article.
2. Any person or business who violates paragraph (1) shall be suspended from bidding on, or participating as contractor, subcontractor, or supplies in, any county contract or project for a period of three years.
3. No County agency with the powers to award contracts shall enter into any contract with any person or business suspended for violating this section during the period of the person's or business' suspension. No awarding department shall award a contract to any contractor utilizing the services of any person or business as a subcontractor suspended for violating this section during the period of the person's or business suspension.

I acknowledge, that the undersigned, on behalf of himself or herself individually and on behalf of his or her business or organization, if any, is fully aware of the above policy of the County of Los Angeles and I declare under penalty of perjury that the foregoing Firm/Organization Information is true and correct.

Name of Firm \_\_\_\_\_

Signature \_\_\_\_\_ Title \_\_\_\_\_

Date \_\_\_\_\_

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
LEGAL DEFENSE MANAGEMENT SERVICES**

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**PART D / ATTACHMENT 7**

**FAMILIARITY OF THE COUNTY LOBBYIST ORDINANCE CERTIFICATION**

The Vendor certifies that it is familiar with the terms of the County of Los Angeles Lobbyist Ordinance, Los Angeles Code Chapter 2.160. The Vendor also certifies that all persons acting on behalf of the Vendor organization have and will comply with it during the proposal process.

Signature \_\_\_\_\_ Date \_\_\_\_\_

# RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES

## PART D / ATTACHMENT 8A

### PRINCIPAL OWNER INFORMATION FORM

Los Angeles County Code Chapter 2.200 establishes the Los Angeles County Child Support Compliance Program. This Program requires the County to provide certain information to the Child Support Services Department (CSSD) concerning its employees and business licensees. It further requires that bidders or proposers for County contracts provide directly to CSSD information concerning their "Principal Owners," that is, those natural persons who own an interest of 10 percent or more in the Contractor. For each "Principal Owner," the information which must be provided to the CSSD is: 1) the Principal Owner's name, 2) his or her title, and 3) whether or not the Contractor has made a payment of any sort to the Principal Owner.

IN ORDER TO COMPLY WITH THIS REQUIREMENT, COMPLETE THIS FORM AND SUBMIT IT DIRECTLY TO THE CHILD SUPPORT SERVICES DEPARTMENT AT THE ADDRESS OR FAX NUMBER SHOWN BELOW ON OR BEFORE THE DATE YOU SUBMIT A BID OR PROPOSAL TO A COUNTY DEPARTMENT. MAINTAIN DOCUMENTATION OF SUBMISSION. SOLE PRACTITIONER MEMBERS OF AN ASSOCIATION MUST COMPLETE AND SUBMIT INDIVIDUAL FORMS.

In addition, bidders or proposers must certify to the soliciting County department that they are in full compliance with the Program requirements by submitting the Child Support Compliance Program Certification along with the bid or proposal.

To: Child Support Services Department  
Special Projects  
P.O. Box 91109  
Los Angeles, CA 90091-1009  
FAX: (323) 869-0634

Telephone: (323) 832-7277 or (323) 832-7276

**Contractor or Association Name as Shown on Bid or Proposal:**

**Contractor or Associated Member Name, if Contractor is an Association:** \_\_\_\_\_

**Contractor or Associated Member Address:** \_\_\_\_\_  
\_\_\_\_\_

**Telephone:** \_\_\_\_\_ **FAX:** \_\_\_\_\_

**County Department Receiving Bid or Proposal:** \_\_\_\_\_

**Type of Goods or Services To Be Provided:** \_\_\_\_\_

**Contract or Purchase Order No. (if applicable):** \_\_\_\_\_

**Principal Owners:** Please check appropriate box. If box I is checked, no further information is required. Please sign and date the form below.

- I. ☐ No natural person owns an interest of 10 percent or more in this Contractor.  
II. ☐ Required principal owner information is provided below. (Use a separate sheet if necessary.)

	<u>Name of Principal Owner</u>	<u>Title</u>	<u>Payment Received</u> <u>From Contractor</u>
1.	_____	_____	[YES] [NO]
2.	_____	_____	[YES] [NO]
3.	_____	_____	[YES] [NO]

*I declare under penalty of perjury that the foregoing information is true and correct.*

By: \_\_\_\_\_ Date: \_\_\_\_\_  
(Signature of a principal owner, an officer, or manager responsible for submission of the bid or proposal to the County.)

(Print Name)

(Title/Position)

(CSCP CERTIFICATION)

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
LEGAL DEFENSE MANAGEMENT SERVICES**

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# RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES

PART D / ATTACHMENT 8B

## CHILD SUPPORT COMPLIANCE PROGRAM CERTIFICATION

Los Angeles County Code Chapter 2.200 establishes the Los Angeles County Child Support Compliance Program. This Program requires the County to provide certain information to the Child Support Services Department (CSSD) concerning its employees and business licensees. It further requires that bidders or proposers for County contracts submit certifications of Program compliance to the soliciting County department along with their bids or proposals. (In an emergency procurement, as determined by the soliciting County department, these certifications may be provided immediately following the procurement.)

IN ORDER TO COMPLY WITH THIS REQUIREMENT, COMPLETE THIS FORM AND SUBMIT IT DIRECTLY TO THE SOLICITING COUNTY DEPARTMENT ALONG WITH YOUR BID OR PROPOSAL. IN ADDITION, PROVIDE A COPY TO THE CHILD SUPPORT SERVICES DEPARTMENT AT THE ADDRESS OR FAX NUMBER SHOWN BELOW. SOLE PRACTITIONER MEMBERS OF AN ASSOCIATION MUST COMPLETE AND SUBMIT INDIVIDUAL FORMS.

I, (print name as shown in bid or proposal) \_\_\_\_\_, hereby submit this  
certification to the (County department) \_\_\_\_\_, pursuant to the provisions of County  
Code Section 2.200.060, and hereby certify that (contractor or association name as shown in bid or proposal)  
\_\_\_\_\_, an independently-owned or franchiser-owned business (circle  
one), located at (contractor or, if an association, associated member address)  
\_\_\_\_\_

is in compliance with Los Angeles County's Child Support Compliance Program and has met the following requirements:

- 1) Submitted a completed Principal Owner Information Form to the Child Support Services Department (CSSD);
- 2) Fully complied with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and/or California Unemployment Insurance Code Section 1088.5 and will continue to comply with such reporting requirements;
- 3) Fully complied with all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b) or pursuant to applicable provisions of the Uniform Interstate Family Support Act, and will continue to comply with such Orders or Notices.

***I declare under penalty of perjury that the foregoing is true and correct.***

Executed this \_\_\_\_\_ day of \_\_\_\_\_  
(Month and Year)

at: \_\_\_\_\_  
(City/State) (Telephone No.)

by: \_\_\_\_\_  
(Signature of a principal owner, an officer, or manager responsible for submission of the bid or proposal to the County.)

Copy to: Child Support Services Department  
Special Projects  
P.O. Box 911009  
Los Angeles, CA 90091-1009  
FAX: (323) 869-0634

Telephone: (323) 832-7277 or (323) 832-7276

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
LEGAL DEFENSE MANAGEMENT SERVICES**

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**PART D / ATTACHMENT 9**

**CERTIFICATION OF "NO CONFLICT OF INTEREST"**

Los Angeles County Code Chapter 2.121.295, "Contracts Prohibited," sets forth the following:

**Section 2.121.295: CONTRACTS PROHIBITED**

Notwithstanding any other section of the code, County shall not contract with, and shall reject any bid or proposal submitted by the persons or entities specified below, unless the Board of Supervisors finds that special circumstances exist, which justify the approval of such contract:

- a) Employees of County or of public agencies for which the Board of Supervisors is the governing body;
  - b) Profit/non-profit making firms or businesses in which employees described in sub-section (a) serve as officers, principals, partners or major shareholders;
  - c) Persons who, within the immediately preceding twelve (12) months, came within the provisions of sub-section (a), and who were 1) employed in positions of substantial responsibility in the area of service to be performed by the contract; or 2) participated in any way in developing the contract or its service specifications;
- and
- d) Profit making firms or businesses in which the former employees described in sub-section (c) serve as officers, principals, partners or major shareholders.

Contractor hereby certifies that personnel who developed and/or participated in the preparation of this contract do not fall within the scope of the Los Angeles County Code, Section 2.121.295, as outlined above.

Signature \_\_\_\_\_

Printed Name and Title \_\_\_\_\_

Date \_\_\_\_\_

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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**PART D / ATTACHMENT 10**

**ATTESTATION OF WILLINGNESS TO CONSIDER GAIN/GROW PARTICIPANTS**

As a threshold requirement for consideration for contract award, bidders/proposers shall demonstrate a proven record of hiring GAIN/GROW participants or shall attest to a willingness to consider GAIN/GROW participants for any future employment openings if they meet the minimum qualifications for the openings. Additionally, bidders/proposers shall attest to a willingness to provide employed GAIN/GROW participants access to the bidders/proposer's employee mentoring program, if available, to assist these individuals in obtaining permanent employment and/or promotional opportunities. Bidders/proposers shall complete, sign, and return with their proposal request this form. Bidders/proposers who are unable to meet this requirement shall not be considered for contract award.

**Bidder/proposer shall complete all of the following information, sign where indicated, and return this form with their proposal request:**

**A. Bidder/proposer has a proven record of hiring GAIN/GROW participants.**

\_\_\_\_\_ **Yes**                      \_\_\_\_\_ **No**

(Subject to verification by County.)

**B. Bidder/proposer is willing to consider GAIN/GROW participants for any future employment openings if the GAIN/GROW participant meets the minimum qualifications for the opening. "Consider" means that bidder/proposer is willing to interview qualified GAIN/GROW participants.**

\_\_\_\_\_ **Yes**                      \_\_\_\_\_ **No**

**If YES, state the name and telephone number of the person whom the County may contact to refer GAIN/GROW Participants:** \_\_\_\_\_

**C. Bidder/proposer is willing to provide employed GAIN/GROW participants access to its employee mentoring program, if available.**

\_\_\_\_\_ **Yes**    \_\_\_\_\_ **No**    \_\_\_\_\_ **N/A (program not available)**

**BIDDER/PROPOSER**

**(Type or Print Name of Firm)**

**By** \_\_\_\_\_

**Type or Print Name:** \_\_\_\_\_

**Type or Print Title:** \_\_\_\_\_

# **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

## **PART D / ATTACHMENT 11**

### **COUNTY OF LOS ANGELES CONTRACTOR EMPLOYEE JURY SERVICE PROGRAM APPLICATION FOR EXCEPTION AND CERTIFICATION FORM**

County's solicitation for this Request for Proposals is subject to the County of Los Angeles Contractor Employee Jury Service Program (Program), Los Angeles County Code, Chapter 2.203. All proposers, whether a contractor or subcontractor, must complete this form to either certify compliance or request an exception from the Program requirements. Upon review of the submitted form, the County department will determine, in its sole discretion, whether the proposer is excepted from the Program.

Company Name:		
Company Address		
City	State:	Zip Code:
Telephone Number:		
Solicitation For (Type of Goods or Services):		

***If you believe the Jury Service Program does not apply to your business, check the appropriate box in Part I (attach documentation to support your claim); or, complete Part II to certify compliance with the Program. Whether you complete Part I or Part II, please sign and date this form below.***

#### **Part I: Jury Service Program is Not Applicable to My Business**

- ☐ My business does not meet the definition of "contractor," as defined in the Program, as it has not received an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts (this exception is not available if the contract itself will exceed \$50,000). I understand that the exception will be lost and I must comply with the Program if my revenues from the County exceed an aggregate sum of \$50,000 in any 12-month period.
- ☐ My business is a small business as defined in the Program. It 1) has ten or fewer employees; and, 2) has annual gross revenues in the preceding twelve months which, if added to the annual amount of this contract, are \$500,000 or less; and, 3) is not an affiliate or subsidiary of a business dominant in its field of operation, as defined below. I understand that the exception will be lost and I must comply with the Program if the number of employees in my business and my gross annual revenues exceed the above limits.

**"Dominant in its field of operation"** means having more than ten employees, including full-time and part-time employees, and annual gross revenues in the preceding twelve months, which, if added to the annual amount of the contract awarded, exceed \$500,000.

**"Affiliate or subsidiary of a business dominant in its field of operation"** means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

- ☐ My business is subject to a Collective Bargaining Agreement (attach agreement) that expressly provides that it supersedes all provisions of the Program.

**OR**

#### **Part II: Certification of Compliance**

- ☐ My business has and adheres to a written policy that provides, on an annual basis, no less than five days of regular pay for actual jury service for full-time employees of the business who are also California residents, or my company will have and adhere to such a policy prior to award of the contract.

*I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.*

Print Name:	Title:
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**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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Signature:

Date:

**PART E  
TECHNICAL EXHIBITS**

Exhibit 1 - Claims and Caseload Data .....	E-2
Exhibit 2 - Current Audit for Evaluating Selected Claim Files .....	E-4
Exhibit 3 - Contract Discrepancy Report .....	E-7
Exhibit 4 - Case Reserve Policy .....	E-8
Exhibit 5 - Structured Settlement Program Guidelines .....	E-9
Exhibit 6 - Incident Reporting and Accident Review Guidelines .....	E-14
Exhibit 7 - Accelerated Claims Settlement Program .....	E-17
Exhibit 8 - Vehicle Accident Subrogation Process .....	E-20
Exhibit 9 - Legal Defense Management Reports .....	E-26
Exhibit 10 - County's Priority Rating System .....	E-33
Exhibit 11 - RiskVisionNET™ Risk Management Information System .....	E-34
Exhibit 12 - Contractor Reports .....	E-35
Exhibit 13 - Definitions of Terms .....	E-37
Exhibit 14 - County's Professional Legal Services Agreement .....	E-42

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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**PART E / EXHIBIT 1**

## **Claims and Caseload Data**

### **AUTOMOBILE AND GENERAL LIABILITY PROGRAM LOSS EXPERIENCE FROM 7/1/97 TO 6/30/02**

<b>FISCAL YEAR ( July 1 thru June 30)</b>							
	<b>1997/1998</b>	<b>1998/1999</b>	<b>1999/2000</b>	<b>2000/2001</b>	<b>2001/2002</b>	<b>5 Year Total</b>	<b>Annual Average</b>
<b>Automobile Liability</b>							
<b>Incidents</b>	<b>1,706</b>	<b>1,733</b>	<b>1,582</b>	<b>1,855</b>	<b>1,933</b>	<b>8,809</b>	<b>1,762</b>
<b>Cases</b>	<b>791</b>	<b>768</b>	<b>783</b>	<b>831</b>	<b>901</b>	<b>4,074</b>	<b>815</b>
<b>Subtotal</b>	<b>2,497</b>	<b>2,501</b>	<b>2,365</b>	<b>2,686</b>	<b>2,834</b>	<b>12,883</b>	<b>2,577</b>
<b>General Liability</b>							
<b>Incidents</b>	<b>569</b>	<b>368</b>	<b>251</b>	<b>385</b>	<b>332</b>	<b>1,905</b>	<b>381</b>
<b>Cases</b>	<b>665</b>	<b>645</b>	<b>982</b>	<b>855</b>	<b>960</b>	<b>4,107</b>	<b>821</b>
<b>Subtotal</b>	<b>1,234</b>	<b>1,013</b>	<b>1,233</b>	<b>1,240</b>	<b>1,292</b>	<b>6,012</b>	<b>1,202</b>
<b>FISCAL YEAR TOTALS</b>	<b>3,731</b>	<b>3,514</b>	<b>3,598</b>	<b>3,926</b>	<b>4,126</b>		

**Cases - Claims, lawsuits, and incidents deemed for investigation which are received during the fiscal year.**

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
LEGAL DEFENSE MANAGEMENT SERVICES**

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**AUTOMOBILE AND GENERAL LIABILITY PROGRAM  
VALUE RANGE OF CASES FROM 7/1/97 TO 6/30/02**

Dollar Value of Claims	Automobile Liability				General Liability				Total	
	Non-Litigated		Litigated		Non-Litigated		Litigated		Claims	%
	Claims	%	Claims	%	Claims	%	Claims	%		
\$ Zero	1,071	31.0%	37	5.9%	2,130	73.5%	216	17.9%	3,454	42.2%
\$0 to \$5,000	1,832	53.1%	175	28.1%	620	21.4%	387	32.0%	3,014	36.8%
\$5,001 to \$10,000	389	11.3%	114	18.3%	79	2.7%	141	11.7%	723	8.8%
\$10,001 to \$20,000	142	4.1%	120	19.3%	29	1.0%	139	11.5%	430	5.3%
\$20,001 to \$100,000	18	0.5%	149	24.0%	36	1.2%	237	19.6%	440	5.4%
\$100,001 to \$500,000	0	0.0%	26	4.2%	3	0.1%	80	6.6%	109	1.3%
\$500,001 to \$1,000,000	0	0.0%	0	0.0%	0	0.0%	6	0.5%	6	0.1%
Over \$1,000,000	0	0.0%	1	0.2%	0	0.0%	4	0.3%	5	0.1%
Totals	3,452	100.0%	622	100.0%	2,897	100.0%	1,210	100.0%	8,181	100.0%

**Notes:**

Value of claims consists of paid and estimated amounts for indemnity and expenses.

Percentage of total number of cases over a five year period.

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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**PART E / EXHIBIT 2**

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**Current Audit for Evaluating Selected Claim Files**

**AUDIT FORM for EVALUATING SELECTED CLAIM FILES©**

**Shelter Island Risk Services** Yr.\_\_\_\_Qtr.\_\_\_\_ #\_\_\_\_

**Subcontractor:** ☐ Octagon ☐ Carl Warren

TPA File # \_\_\_\_\_ Adjuster: \_\_\_\_\_ ☐ Open ☐ Closed

Φ Med/mal Φ Auto Φ GL Φ Other Dept./Facil.: \_\_\_\_\_

Φ Multi-claim Φ **Open/Pending** Φ In **Litigation** ☐ **Closed/Settled** \$ \_\_\_\_\_

Incident Date: \_\_\_\_\_ ☐ IR ☐ VC ☐ LS ☐ Date VC/LS Filed: \_\_\_\_\_

**Description of Event:**

---

**Scoring: 4-Exceeds Contract; 3-Average, Meets Contract; 2-Doesn't Meet; 1-Poor**

**A. \_\_\_\_\_ Initial Contacts:** (Evaluate Response to IR/Claim, File/Data Creation, Timeliness)

☐ Created from I.R. ☐ Created from Claim/Suit ☐ Data Accurate ☐ Creation Timely

☐ Contact w/Dept./Facility Timely ☐ Contact w/Claimant or Attorney Timely

**Contract Requires:** Per PRM §16.0/CW§10.0 Take appropriate action, open file

Conduct other investigation, assess appropriateness of damage, initiate in 24 hours. If serious injury involved. **Ind. Std.:** 24-hr contact, initial report to include reserves.

**Comments:** \_\_\_\_\_

---

**B. \_\_\_\_\_ Investigation (Passive)** (Evaluate Obtaining, Review/ Analysis of Outside Information)

☐ Immediate Follow-up with Dept/Facility ☐ Delay in Receiving Information

☐ Reviewed Information for Accuracy ☐ Obtained Related Reports (PR/Coroner, etc.)

**Contract Requires:** §16.2(a)/§10.2(a.1) Secure and review department's internal reports.

**Comments:** \_\_\_\_\_

---

**C. \_\_\_\_\_ Investigation (Active):** (Evaluate Independent Investigation, Evidence, Statements)

☐ Outside Active Investigation Taken ☐ Outside Inv. Not Needed ☐ Photos ☐ Other

☐ Statement from Claimant ☐ Statement from Principal ☐ Statement from Witnesses

**Contract Requires:** §16.2(b)/§10.2(a.2) Conduct other required investigation. **Ind. Std.:** statements from principals and witnesses, documents, photos, research, preserve evidence

**Comments:** \_\_\_\_\_

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**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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**PART E / EXHIBIT 2**

PAGE 2 OF 3

**D. File Evaluation:** (Evaluate COLA applicability, Settle/Deny Decision, Reserving)

☐ COLA Case ☐ Other Agency Involved ☐ Proper Tender ☐ Case To Settle ☐ Deny

**Reserves:** ☐ Too High ☐ Too Low ☐ Appropriate per *Part E, Exhibit VIII*.

**Contract Requires:** §16.2(c,d)3/§10.2(a.3,4),3. Assess damage and evaluate liability,

**Ind. Std.:** Evaluate as to Coverage, Liability and Damages with periodic reevaluation.

**Comments:** \_\_\_\_\_  
\_\_\_\_\_

**E. Reporting:** (Evaluate timeliness of reports and whether they convey accuracy)

☐ First Report Timely ☐ Statuses Timely ☐ Too New to Report ☐ Report Quality

**Contract Requires:** §16.2(a)/§10.2c) COLA "to be advised of action taken." 30 days

After receiving Internal reports provide Case Status Report, with status every 60 days.

**Date Internal Material Received:** \_\_\_\_\_

**Comments:** \_\_\_\_\_  
\_\_\_\_\_

**F. File Management:** (Claim/Denial [45-day] notice, evidence of decision making)

☐ Denial/Notice Timely ☐ Responded to Claim ☐ Moving toward Settlement ☐ Denied

**Contract Requires:** §16.5-8,/§10.5-7,; Manage file, deny or act per statutes

**Comments:** \_\_\_\_\_  
\_\_\_\_\_

**G. Litigation Management/Prevention:** (Active decision to defend, control of file, budget)

☐ Not in Suit/Settlement Pending ☐ Denied, awaiting statute ☐ Settled, no Suit ☐ In Suit

**Suit:** ☐ Evidence that active decision was made to Defend ☐ Budget obtained/reviewed

☐ Evidence that Claim Rep. Is in Control of the Litigation ☐ File Abandoned to Defense

**Contract Requires:** §17.1-6,/§11.1-7 Within 90 days obtain Case Evaluation Plan, etc.

**Ind. Stds:** Full range of Litigation Management/Prevention.

**Comments:** \_\_\_\_\_  
\_\_\_\_\_

**H. Damage Evaluation:** (Evaluate evidence of medical/damage review, cost containment)

☐ Med. Files Reviewed ☐ IME/Cost Containment Used ☐ Damage Appraisal/Photos

☐ Subrogation/Tender of Defense/Offset for Comparative negligence Considered

**Contract Requires:** §16.2(d)/§10.2(4) Assess physical injuries, incl. Evaluation of treatment and expenses. Reevaluation of Reserve accuracy.

**Comments:** \_\_\_\_\_  
\_\_\_\_\_

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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**PART E / EXHIBIT 2**

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**I. \_\_\_\_\_ Steps Toward Resolution:** (Evaluate whether file is being moved toward resolution)

☐ Evidence of Attempt to Settle ☐ Formal Statutory Denial ☐ File in Litigation

**Contract Requires:** §18/§12/14 TPA to utilize Settlement Authority (\$10,000/\$3,000)

**Comments:** \_\_\_\_\_

\_\_\_\_\_

**J. \_\_\_\_\_ Liaison and Communication:** (Evaluate file communication w/COLA or dept./faci.)

☐ Good Comm. W/Dept./Facil. ☐ Follow-up Evident ☐ Settlement authority discussed

**Contract Requires:** §26/§21 (Education and Loss Prevention Programs)

**Comments:** \_\_\_\_\_

\_\_\_\_\_

**Score: A:\_\_\_\_\_ B:\_\_\_\_\_ C:\_\_\_\_\_ D:\_\_\_\_\_ E:\_\_\_\_\_ F:\_\_\_\_\_ G:\_\_\_\_\_ H:\_\_\_\_\_ I:\_\_\_\_\_ J:\_\_\_\_\_ = \_\_\_\_\_ ÷ \_\_\_\_\_ = \_\_\_\_\_**

**File Comments:** \_\_\_\_\_

\_\_\_\_\_

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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**PART E / EXHIBIT 3**

**CONTRACT DISCREPANCY REPORT**

**TO:** \_\_\_\_\_

**FROM:** \_\_\_\_\_

**DATES:**

Initiated by County: _____
Returned by Contractor: _____
Action Completed: _____

**Discrepancy or Problem:**

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\_\_\_\_\_  
**Signature of County's QAE**

\_\_\_\_\_  
**Date**

**Contractor's Response (Cause and Corrective Action):**

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\_\_\_\_\_  
**Signature of Contractor's Contract Manager**

\_\_\_\_\_  
**Date**

**County Evaluation of Contractor's Response:**

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**County's Action:**

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**Contractor Notified of Action (initials and date):**

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**County's Contract Administrator Signature**      **Contractor's Contract Manager Signature**

# **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

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## **PART E / EXHIBIT 4**

### **CASE RESERVE POLICY**

- I. POLICY OBJECTIVE: To establish and maintain accurate reserves to provide a foundation for budget preparation and estimates of future funding requirements.
- II. POLICY SCOPE: Reserves for indemnity and expense payments must be established for each Case File. Reserves shall be set by County Risk Management, County's third party administrators (TPA), or attorneys (County Counsel or contract legal defense firms), at the earliest opportunity, and updated periodically on evaluation of case developments.
- III. POLICY ADMINISTRATOR: The County Contract Administrator shall monitor compliance with the requirements of this policy on a periodic basis, and update this policy as needed.
- IV. POLICY PROCEDURES:
  - A. The TPA/Attorney is responsible for ensuring reserves accurately reflect the ultimate loss exposure for each claim.
  - B. The TPA/Attorney shall establish and maintain an indemnity and expense reserve on each Case File assigned to or handled by TPA/Attorney.
  - C. Initial reserves shall be set within 10 working days from the date an Case File is set up. Thereafter, reserves shall be reviewed and evaluated against case developments as warranted, but at least every 90 days by the third party administrators, until the file is closed.
  - D. An initial reserve shall be set based upon TPA/Attorney's professional judgment considering all information available at the time a file is opened. Indemnity reserves set on files established by verified claims or lawsuits should reflect the claim's ultimate cost. Indemnity reserves for files set up based on an incident report should reflect a minimum exposure level and should be immediately reviewed and revised, if necessary, when a verified claim or lawsuit is filed.
  - E. Although the goal is to set reserves which will be adequate for the life of the Case File, reserves are subject to changes because of continuing case developments. The TPA/Attorney should monitor claims activity to determine if adjustments (increases or decreases) in reserves are necessary.
  - F. All initial reserves or modifications to existing reserves must be entered into County's Risk Management Information System and documented in the Case File. Notations that changes in reserves are unnecessary must be noted in the Case File.

# **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

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PART E / EXHIBIT 5

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## **COUNTY OF LOS ANGELES STRUCTURED SETTLEMENT PROGRAM GUIDELINES**

1. **PROGRAM OBJECTIVE:** To provide criteria for use of structured payments to reduce claims costs and provide earlier settlement of liability claims.
2. **PROGRAM SCOPE:** Structured settlements should be considered for any claim when it is economically beneficial to County or assists in the favorable settlement of a claim. Structured settlements provide a financial alternative to reduce the cost of settlements and meet court requirements in allegations involving minors and other dependent parties.
3. **PROGRAM DEFINITIONS:** A structured settlement is defined as any settlement in which a portion of the payment or payments to the plaintiff is deferred to the future. Deferred payments may be made through a commercial annuity contract purchased from an insurance company or under a self-funded arrangement.

The payment schedule can be split wherein some payments are annuitized and some are self-funded. Commercial annuity payments are made directly by the insurance company and self-funded payments may be made by County's third party administrator (TPA).

Structured settlements may include an immediate cash payment or periodic future payments, or a combination. Whenever possible and agreed to by plaintiff and their attorney, County shall be named as the beneficiary of future payments upon the death of the claimant.

4. **PROGRAM ADMINISTRATOR:** The Chief Administrative Office (CAO) shall decide if settlements will be financed through commercial annuities or self-funding. Such decision will be based on comparison of cost and consideration of budget factors. CAO approval will be indicated in writing to the TPA or County Counsel on the Request for Settlement Authority form.

There may be special circumstances in which the Court or settlement negotiations require one method of funding over the other. In those circumstances, the third party administrator, County Risk Management, or County Counsel is authorized to finance the settlement according to the settlement restrictions.

5. **PROGRAM CLAIM CRITERIA:** It is the responsibility of the TPA, County Risk Management, and County Counsel to identify opportunities and secure quotations for the following types of claims:
  - A. Claims with indemnity reserves greater than \$100,000.

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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## **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

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### **PART E / EXHIBIT 5**

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- B. Claims involving minors or persons who are legally incompetent.
- C. Claims involving persons with temporary or permanent impairments.
- D. Claims where the widow or widower needs monthly or annual income.

**6. PROGRAM PARTICIPANT CRITERIA:** Structured settlement proposals must be obtained from annuity insurers and brokers meeting the following selection criteria:

- A. Annuity Insurers - Annuities may only be purchased from annuity insurers who have the following minimum ratings:
  - 1. **A. M. Best's:** Rating of A+, financial size of X or higher. Use of an alternative insurers is subject to the sole discretion of County Risk Management.
  - 2. In addition, to the A.M. Best rating, the annuity insurers must be rated by at least one of the following:
    - a. **Moody's:** Rating of Aa2 (Aa3 if less than 10 years) or higher.
    - b. **Standard and Poor's:** Rating of AA (AA- if less than 10 years) or higher.

Any annuity insurer who receives a rating lower than noted in 1 or 2 above will be unacceptable.

If the annuity is unassigned, the insurer must have minimum rating of an Aaa from Moody's or AAA from Standard and Poor's, and the annuity insurers Adjusted Surplus to Total Assets ratio must be greater than 5.6%. The Adjusted Surplus is defined as Net Worth (Capital + Surplus) + MSVR (Mandatory Security Valuation Reserve).

**B. Distribution of Annuities**

- 1. Total annuity purchases from a single company cannot exceed 10% of company surplus for an Aa2/AA or higher insurer or 5% for an Aa3/AA- or higher insurer.
- 2. No more than 20% of County's annuities may be purchased from a single insurer with a rating of Aa2/AA or higher, and 10% for an insurer with a rating of Aa3/AA.

## **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

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**PART E / EXHIBIT 5**

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3. There is an annual limit of 10% of insurer's business for an Aa2/AA or higher insurer, and 5% for an Aa3/AA- insurer. The insurer's business is defined as all the annuity premiums sold in one year.
- C. Annuity Brokers - Annuities must be purchased through licensed annuity brokers who have the specialized experience and knowledge in obtaining and monitoring annuities. To be acceptable, brokers must meet the following minimum criteria:
1. Licensed in the State of California as an annuity broker.
  2. Have a direct agency agreement with all annuity insurers which meet County's selection criteria.
  3. Maintain Errors and Omissions liability insurance with a minimum policy limit of \$5,000,000 per claim.
  4. Provides annuities solely for defendants in bodily injury cases.

Each person who works on County structured settlements must be an employee or an independent contractor of a company which meets the above criteria which is centrally managed and controlled. If the consultant is an independent contractor, County has the right to review the independent contractor's agreement with the broker to determine whether there is sufficient control over the actions of the independent contractor.

Current County policy requires that the Third Party Administrator (TPA) select at least three (3) brokers who meet the preceding requirements and who are interested in participating on a panel from which County would then select. The assignments are made by the TPA on a rotation basis, unless County Risk Management, County Counsel or the TPA determine that one specific broker is better suited to the assignment. The broker assignments should be made in an equitable manner.

### **7. ANNUITY PLACEMENT PROCEDURES:**

- A. Counsel will advise annuity broker of the types of claims listed under Section V, Program Selection Criteria of this program guideline and provide the relevant information (i.e. medical records and specials, outstanding liens, medical specials, age of plaintiffs, indemnity reserve, plaintiff's demand, need for long-term medical care, college fund, etc.) as soon as negotiations are contemplated.

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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# **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

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- B. Annuity broker will prepare preliminary proposal(s) based on information provided to demonstrate the benefits available under a structured settlement.
- C. TPA/County Risk Management/County Counsel will review the preliminary proposal(s) and request annuity broker to revise proposal(s) based on TPA/County Counsel assessment of allegation or discuss preliminary proposal(s) with claimant's attorney.
- D. TPA/County Risk Management/County Counsel will direct annuity broker to revise proposal(s) based on plaintiff's demands during negotiations.
- E. Annuity broker will obtain final proposal(s) from all qualifying insurers and submit to the TPA, County Risk Management, or County Counsel.
- F. Upon agreement on type and structure of settlement, the TPA/County Risk Management/County Counsel contacts annuity broker to finalize annuity costs. CAO determines if settlement should be annuitized or self-funded.
- G. TPA/County Risk Management/County Counsel insures all the required documentation is completed and forwarded to annuity broker for final review before submitting documentation to the court.
- H. Annuity broker reviews the material submitted to insure the documentation meets all the criteria and Internal Revenue Codes in order for the proceeds to be classified as non-taxable.
- I. TPA/County Risk Management/County Counsel submits final documents to the court, obtains funding from CAO and directs claimant's attorney to execute the documents.
- J. Manually TPA is to provide a report to County Risk Management of annuity including validity of annuitant, for duration of annuity period. TPA is to insure that a certified copy of the annuity is submitted to CAO.
- K. On an on-going basis, CAO will review annuity broker's performance and compliance with these guidelines. The Treasurer Tax Collector will also continue to review the rating of insurers with whom County has purchased annuities.

## **8. POST ANNUITY PLACEMENT PROCEDURES**

- A. Once an annuity has been selected, the TPA must determine if the policy will be assigned through a qualified assignment or if the annuity ownership will be retained by County. The majority of annuity policies will involve a qualified assignment during

# **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

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## **PART E / EXHIBIT 5**

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placement and the responsibility of County and the TPA will end once the assignment is completed as reflected in the foregoing procedures. In a limited number of annuities placed, however, assignment is not possible. An example would be an annuity purchased as a special needs trust set up for a minor or individual who is incompetent. In these circumstances, County retains ownership of the policy and in some circumstances may ultimately become the beneficiary of the trust proceeds once conditions prescribed in the annuity are met. An example of one such condition would be the demise of the annuitant. These types of annuities are usually ordered by the Court as a result of a minor's compromise hearing and are structured under strict conditions set by the Court.

- B. If the TPA establishes that an annuity is County owned and ownership will continue after the closure of the case file, the TPA must continue to monitor payments and mortality of the annuitant throughout the duration of the annuity.
- C. The TPA must maintain a current list of all County owned annuities which are actively issuing payments to annuitants.
- D. The TPA is expected to conduct annual reviews of both the status of the annuitant and payments to insure that appropriate payments are being made

### **9. EXISTING ANNUITY FILES**

- A. County owned annuities which were originally placed with Executive Life Insurance Company were assumed by Aurora National Life Assurance Company after Executive Life went into receivership and was dissolved by the State of California as insolvent. These files are being closely monitored by County and if payments issued to the annuitant are less than the amount guaranteed in the original settlement agreement, then the shortfall amount must be issued by the TPA on behalf of County according to County instructions. These payments must be established on an ongoing basis with an annual review of annuitant status and projected shortfall figures.
- B. County owned annuities placed with other insurance carriers and which are still active, must be maintained in the manner set forth in the preceding procedures.
- C. County elected to self fund annuities written in the early 1980s. 53 of these files still remain active. These files must be aggressively monitored by the TPA. The TPA must maintain contact with the annuitants to insure annuitant compliance with any conditions stipulated in the settlement agreement prior to the issuance of any payment. Familiarity with these files is critical to their management. Quarterly reports must be prepared and submitted concerning these files in a format acceptable to County Contract Administrator.. Periodic independent audits will be conducted on these files and the TPA is expected to offer full cooperation.

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**COUNTY OF LOS ANGELES  
INCIDENT REPORTING AND ACCIDENT REVIEW GUIDELINES**

1. **PROGRAM OBJECTIVE:** To reduce and control future liability costs by requiring County departments to timely report incidents and accidents, determine their cause and ensure appropriate loss prevention measures have been taken.
2. **PROGRAM SCOPE:** These guidelines were designed to provide County departments and County Third Party Claims Administrators (TPAs) with instruction on their roles and actions to be taken in this process. These guidelines apply to:
  - A. Auto-related incidents and accidents involving County owned or leased, or employee owned vehicles used in the course of employment and work performance.
  - B. General liability incidents and accidents including slips and falls, stolen or missing property and contract disputes.

These guidelines do not apply to reporting of employee injuries (worker's compensation claims).

3. **PROGRAM ADMINISTRATION:** The County Contract Administrator has responsibility for overall coordination of County-wide risk management administration functions. This responsibility includes the development and monitoring of an effective incident reporting system.

Compliance with these guidelines by departments supports the administration of claims and lawsuits by:

- A. TPA for auto and general liability.
- B. County Counsel (general and professional liability).

4. **INCIDENT REPORTING SYSTEM:**

- A. Incident Report Forms:

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The County's incident reporting system was designed to facilitate the collection and transmittal of specific accident information from County staff to the TPA. This requires County staff to complete one of the following incident report forms, (Note: these forms may be revised as part of County's Risk Management Information System and can be viewed through the system).

1. Report of Vehicle Accident or Incident - for auto-related incidents
2. Non-Employee Injury Report - for medical or hospital related incidents.
3. Special Event Report of Incident/Accident - for Special Event Liability Insurance incidents.

Incident reports are invaluable to preserve critical information. Information collected at the time of incident expedites future investigations and minimizes and County's cost. The incident report provides a written description of the event and the name(s), telephone number(s) and address(es) of involved parties and witnesses.

### **B. Department Duties:**

1. Incorporate these guidelines within the department loss prevention plan.
2. Develop internal procedures implementing these guidelines, and distribute to department employees with instructions to comply.
3. Notify TPA of incidents by completing the appropriate incident report and forwarding within ten (10) days of the date of incident.

**Note: Do not delay the forwarding of reports because some information is unavailable and the report cannot be completed. A follow-up report may be subsequently forwarded with the notation that it is a revision of an earlier report.**

4. If initial review of an incident indicates it may warrant early intervention/resolution in accordance with Accelerated Claims Settlement Program guidelines, submit a statement to this effect along with the incident report to the TPA.
5. For incidents involving serious injury or death, immediately contact the appropriate TPA by telephone.
6. Review incident reports to determine:
  - a. Cause of accidents.

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- b. If accidents are preventable or non-preventable.
  - c. Necessary corrective action.
  - d. If opening of case file is warranted because of severe injury or death.
  - e. Potential tender based upon indemnification from subcontractor, vendors or other parties.
7. If corrective action is necessary, take appropriate loss prevention measures to control or remove the cause(s) and prevent future accidents. **If immediate corrective action is warranted but can not be taken, immediately notify County Contract Administrator for assistance and consultation.**
8. If requested by the County Contract Administrator or the TPA, provide a summary of loss prevention measures taken.
- C. Third Party Administrator (TPA) Duties:
- 1. Review all incident reports to:
    - a. Initiate early intervention/resolution with departments in accordance with Accelerated Claims Settlement Program guidelines.
    - b. Initiate immediate review by department for serious injury or damage in accordance with TPA contract provisions.
    - c. Determine and advise County Contract Administrator of incidents which require loss prevention review.
  - 2. Enter pertinent incident report data into the claims database.
- D. County Contract Administrator Duties:
- 1. Monitor compliance of TPA and departments with these guidelines.
  - 2. When requested, provide assistance and consultation to support department loss prevention efforts.

Questions concerning these guidelines should be directed to the County Contract Administrator.

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## **COUNTY OF LOS ANGELES ACCELERATED CLAIMS SETTLEMENT PROGRAM**

1. **PROGRAM OBJECTIVE:** Early resolution of claims when it is legally and financially advantages to County.
2. **PROGRAM SCOPE:** The program will be limited to auto related incidents and claims involving County or employee owned vehicles used in the course of employment and work performance. The program may be expanded to include incidents and claims relating to general liability, including slip and falls, stolen or missing property or contract disputes.

Note: These guidelines apply only to those incidents and claims which have been identified and targeted for early intervention and resolution, and which are administered by a third party administrator (TPA).

3. **PROGRAM CRITERIA:** This program promotes expedient investigation by department personnel and TPA to identify incidents and develop claims information in a more proactive manner to achieve the program objective.

Department personnel shall commence immediate investigation of the incident or claim to determine County's liability, and provide TPA with a recommendation for resolution. Department personnel shall contact the TPA representative who has been appointed to exclusively review, process, and expediently resolve the matter through the County's Claims Administration Program.

Incidents and claims targeted for early resolution will be based on determination by department and TPA that:

- A. County is clearly liable.
- B. Legal issues are minor and not disputable.
- C. Department reports or personnel statements indicate County liability.
- D. Liability limited to physical damage. (For example: department vehicle colliding into a building or stationary object.)
- E. Bodily injury liability is apparent or minor. (For example: No physical injury or the other party indicates willingness to settle for minor amounts.)

Auto related incidents involving major property damage or severe injuries (i.e. death, amputation, paralysis head injuries, etc.) will continue to be handled in the normal manner under the County's Claims Administration Program.

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## **F. TO BE PERFORMED BY COUNTY CONTRACT ADMINISTRATOR**

1. Develop Program Goal and Procedural Guidelines for review and concurrence with County Counsel and department.
2. Coordinate implementation of program with County Risk Management, County Counsel, department, and TPA.
3. Monitor program performance and progress of TPA and department.
4. Provide approval for claims resolved over \$10,000 and arrange for funding for all settlements.
5. Provide periodic reports to departments and Board.

## **G. TO BE PERFORMED BY COUNTY COUNSEL**

1. Provide ongoing legal advice.
2. Review TPA recommendations and provide immediate approval/disapproval to resolve claims over \$10,000.

## **H. TO BE PERFORMED BY DEPARTMENT**

1. Provide and maintain a listing, including the address and phone number of designated department staff liaison(s).
2. Promptly report all auto incidents to TPA in accordance with the County's Incident Reporting and Accident Review Guidelines.
3. Use the County's Report of Vehicle Accident or Incident (printed copy or on-line RMIS input) for this purpose. Hard copies are to be mailed or faxed to the County's Auto/General Liability TPA.
4. If requested by TPA, perform immediate field investigation and forward finding to TPA with recommendation that expedient resolution is warranted.
5. If necessary, follow-up or provide additional information which may be requested by TPA.

## **I. TO BE PERFORMED BY TPA**

1. Review within twenty-four hours of receipt all County Reports of Vehicle Accident or Incident and notices which are received from County departments to determine if early resolution is warranted.

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2. If necessary, contact department liaison if additional information is necessary to evaluate resolution.
  3. Contact claimant(s) within 24 hours to verify damage/injury amount and secure tentative agreement to settle claim. TPA will also assist the claimant in completing and mailing the required claim forms should it be necessary.
  4. Obtain the concurrence of the department on the terms of resolution if terms are different from the department's recommendation.
  5. Issue settlement payment within five (5) working days of obtaining release
  6. Issue closing report and close file within fourteen (14) working days after payment of settlement.
  7. Maintain statistical information and provide progress reports to the County Contract Administrator.
4. **PROGRAM REVIEW** - Monthly status reports of program progress will be provided to departments for monitoring and evaluation of program. Six month review will be conducted with department management to discuss results of program.

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**COUNTY OF LOS ANGELES  
VEHICLE ACCIDENT SUBROGATION PROCESS**

1. **OBJECTIVES** - To maximize recovery of vehicle damages repair or replacement costs from the third parties who are at fault.
2. **TASKS AND RESPONSIBILITIES** - The following defines the responsibilities and tasks of the County Contract Administrator, County Counsel, Contractor's claim staff and subrogation unit, legal defense attorneys and County departments.

The responsibilities and tasks of the parties are as follows:

A. **County Contract Administrator** - The County Contract Administrator will have overall responsibility for program's performance. The County Contract Administrator will have authority to modify subrogation program as necessary to maximize recoveries and improve effectiveness of program. The County Contract Administrator shall:

1. Monitor department, Contractor's performance.
2. Coordinate vehicle accident subrogation program.
3. Review and approve payment to Contractor.
4. Review and respond to Contractor on all requests for settlement approval.
5. Establish and implement procedures for the timely deposit of subrogation payments into a County account.
6. At the discretion of County, retain responsibility to conduct subrogation on any damage to County vehicle and provide Contractor notification of such decision.

B. **County Counsel** - County Counsel is responsible for administration of subrogation litigation and providing legal advise on subrogation efforts. County Counsel shall:

1. Review and approve requests to settle subrogation.
2. Review litigation requests and assign law firm.
3. Management contracts with subrogation law firms.

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4. Provide Contractor with information needed for subrogation on lawsuits administered directly in County Counsel.
  5. Provide County Contract Administrator and departments with required or requested financial and statistical reports on subrogation in litigation.
- C. Departments** - The departments shall be responsible for advising Contractor of potential subrogation opportunities and provide relevant information requested by Contractor. The departments shall:
1. Identify and refer incidents to Contractor.
  2. Provide repair estimates and other information requested by Contractor.
- D. Legal Defense Firms** - The subrogation law firms shall be responsible for recovery of vehicle repair or replacement costs. The law firms shall:
1. Provide experienced and qualified attorneys and clerical/support personnel for litigation of vehicle accident subrogation.
  2. Obtain required information, conduct litigation in a cost effective and timely manner, and collect payments from responsible parties/insurance company.
  3. Provide County Contract Administrator, County Counsel and departments with required or requested financial and statistical reports on subrogation in litigation.
- E. Contractor's Subrogation Unit** - The subrogation unit shall be responsible for recovery of vehicle repair or replacement costs in a cost effective and timely manner from the parties that caused the accident or damage. Contractor shall:
1. Provide experienced and qualified staff and clerical/support personnel for the subrogation of damage to County vehicles.
  2. Develop with County a criteria for identifying and referring incidents or liability claims for subrogation.
  3. Develop, maintain and comply with a procedures manual to ensure subrogation is conducted in a timely and cost effective manner and to maximize subrogation recoveries. Including (when appropriate) notifying County's Chief of Disability Management of subrogation, so the County can pursue Workers' Compensation subrogation.

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4. Obtain required documents, conduct subrogation and collect payments from the responsible parties/insurance company in accordance with contract and agreed procedures.
5. Notify County's Chief of Disability Management of subrogation, so the County can pursue Workers' Compensation subrogation.
6. Maintain and provide, as required by County, statistical and financial reports on subrogation conducted, recoveries received and costs of subrogation services.
7. Submit litigation request when it is cost effective or to the benefit of County and provide reports required by County on litigation efforts and costs.
8. Advise and work with County staff to resolve any operational difficulties.

**F. Contractor's Claim Staff** - The claims staff shall be responsible for advising subrogation unit of potential subrogation opportunities and providing relevant information it receives to the subrogation unit. The claims staff shall:

1. Identify and refer incidents and claims to subrogation unit for subrogation in accordance with subrogation criteria.
2. Provide to subrogation unit incident, police, medical and other reports, repair estimates, claim status and other information relevant to subrogation efforts.
3. Credit case file when a subrogation recovery is received.
4. Advise and work with County staff to resolve any operational difficulties.

**3. SUBROGATION PROCESS** The subrogation process facilitates an effective exchange of information between these parties which is necessary to maximize recovery of County costs. The subrogation process consist of identifying incidents and claims for subrogation, opening a file and conducting investigation, litigation of subrogation and collection of monies. The extent of the subrogation effort will be determined based on amount of costs to be recovered, third parties financial status/resources and facts of the vehicle accident.

**A. Identifying vehicle accidents/incidents for subrogation**

1. Subrogation should be pursued on vehicle accidents in which County employees are injured, the County vehicle is damaged and a third party is at fault for the accident,

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2. Subrogation should not be pursued on vehicle accidents in which:
    - a. The accident exclusively involves County owned vehicles operated by County employees.
    - b. The County driver is clearly at fault.
    - c. The County vehicle was not damaged or the county employee was not injured and worker's compensation benefits were not issued.
    - d. The third party that caused the accident cannot be identified, there is no third party.
  3. Departments shall write "Subrogation" on the *County's Report of Vehicle Accident or Incidents* to identify vehicle accidents for subrogation and submit these incident reports directly to Contractor for subrogation.
  4. Contractor's claims staff shall identify liability file with subrogation potential and provide to subrogation unit a copy of information in file that is relevant or would assist in the subrogation including claim number, name of adjuster, repair estimates, police and medical reports, insurance information on third parties and percentage of liability if appropriate. For incident reports which no liability file exists, the claims staff shall write in "No Auto".
- B. Opening a subrogation file and conducting investigation.
1. Subrogation unit shall review incident reports and open a file on incidents with subrogation potential in accordance with the process indicate below. The subrogation unit will also advise the referring department or adjustor of any incident which subrogation should not be pursued and the reason(s) why.
  2. For incidents with a companion liability file, the subrogation unit shall:
    - a. Obtain police reports, repair estimates, registered owner of other vehicle and other information needed for subrogation if it was not provided or cannot be obtained from claims staff.
    - b. Contact the third party/insurance representative that caused the accident or damage and if appropriate, file form SR19 with DMV to obtain insurance information or confirm uninsured status of third party.

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- c. Provide any information relevant to liability claims to claims staff.
  - d. Maintain and provide statistical and financial reports as required on subrogation to County Contract Administrator, referring department and Contractor's Program Manager.
- 3. For incidents which the third party or insurance company contacts County to reimburse County for its costs, the subrogation unit shall immediately:
  - a. Obtain incident report, repair estimates, costs of workers compensation benefits paid and other pertinent information needed to ensure maximum recovery of County costs as appropriate.
  - b. Provide financial and status reports as required for monitoring of subrogation program to County Contract Administrator, referring department and Contractor's Program Manager.
- 4. For incidents with no companion liability file, and no contact from third party/insurance company to reimburse County for damages, the subrogation unit will:
  - a. Suspend subrogation until six (6) months after accident date. The purpose of the suspension is to avoid soliciting a claim from the third party. Generally, claims for injury must be filed within six (6) months of accident, after this time period County does not have to accept the claim.
  - b. If during this period a liability claim is received, open subrogation file per section "B" above.
  - c. If no claims are received during this period, open a subrogation file and pursue recovery of vehicle damage.
  - d. Provide financial and status reports as required for monitoring of subrogation program to County Contract Administrator, referring department and Contractor's Program Manager.

**C. Litigation**

- 1. Subrogation unit will recommend litigation when each of the following three (3) elements warrants the added cost of litigation:

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- a. The amount of costs to be recovered.
  - b. Liability for accident.
  - c. Financial status of third party (commercially insured or has sufficient assets to reimburse County for its costs).
2. Unless there is adequate assets with which to satisfy a judgement, litigation against an uninsured motorist should not be recommended. Subrogation of an uninsured individual through litigation could result in an uncollectible judgement and unwarranted attorney expenses.
  3. Litigation will be conducted to protect County's subrogation interest and maximize recovery of County costs in a cost effective and timely manner.
  4. Maintain and provide statistical and financial reports as required on litigated subrogation to County Contract Administrator, referring department and Contractor's Program Manager.

**D. Closing of subrogation file**

1. Upon receipt of recovery check:
  - a. It will immediately be deposited into the County account.
  - b. A copy of the check is sent to County Contract Administrator, referring department, the claim staff, as appropriate, along with closing report advising that recovery is completed and subrogation file is being closed.
2. Without payment:
  - a. Submit request to close without payment listing reason for closure and supporting documents including credit checks of uninsured motorist and DMV response to SR19 form.
  - b. Upon approval of County Contract Administrator, subrogation unit will close file.

## **LEGAL DEFENSE MANAGEMENT REPORTS**

THIS EXHIBIT INCLUDES EXAMPLES OF:

REPORTS REVIEWED BY CONTRACTOR

1. CASE EVALUATION AND PLAN (CEP)
2. CASE STATUS REPORT
3. CASE STATUS UPDATE REPORT

REPORT COMPLETED BY CONTRACTOR

4. COURT APPEARANCE CALENDAR (CAC)

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## CASE EVALUATION AND PLAN (CEP)

(TO BE COMPLETED BY FIRM'S SUPERVISING ATTORNEY)

1	FIRM NAME:			
	CASE NAME: _____ COURT #:		COUNTY COUNSEL DOCKET #:	
	INCIDENT DATE:	CLAIM DATE:	CLAIM DENIED DATE:	COMPLAINT FILED DATE:
	TYPE OF CASE:			
	CASE/MATTER DESCRIPTION & FACTS: * _____			
	OPPOSING ATTORNEY'S NAME (if known):			
2	INVESTIGATIONS NEEDED: <input type="checkbox"/> WITNESS STATEMENTS <input type="checkbox"/> MEDICAL REPORTS <input type="checkbox"/> SCENE DIAGRAM & PHOTOS <input type="checkbox"/> POLICE REPORTS <input type="checkbox"/> OTHER, DESCRIBE WHAT IS NEEDED: _____ _____			
3	INJURIES OR DAMAGES CLAIMED: * (list punitive damages separately) _____			
4	SPECIAL DAMAGES: * MEDICAL \$ _____ LOSS OF EARNINGS \$ _____ OTHER \$ _____ IF OTHER SPECIFY _____			
5	PLAINTIFF'S CONTENTION: * _____ _____			
6	AFFIRMATIVE DEFENSES: * _____ _____			
7	INITIAL DISCOVERY: (designate expert/parties)			

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	DISPOSITIONS TO BE TAKEN (list names)  _____  _____	INTERROGATORIES TO BE SENT (list names)  _____  _____	RECORDS/DOCUMENTS TO BE PRODUCED (list names)  _____  _____
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8	<p>RESEARCH REQUIRED: * (<i>general description of issues &amp; extent</i>) Specifically identify any research requiring original effort as opposed to research that has generally been done previously by the firm:</p> <p>_____</p> <p>_____</p> <p>ESTIMATED AMOUNT OF TIME NEEDED TO COMPLETE RESEARCH: _____ HOURS</p>												
9	<p>MONETARY EVALUATION OF CASE(S):</p> <p>POTENTIAL LIABILITY/EXPOSURE \$ _____ VERDICT RANGE \$ _____</p> <p>SETTLEMENT VALUE \$ _____</p>												
10	<p>RECOMMENDED CASE STRATEGY: *</p> <p>_____</p> <p>_____</p> <p>_____</p>												
11	<p>STAFFING/HOURLY RATE: * Identify the staffing levels, hourly rates and estimated number of hours for each partner, associate, or paralegal.</p> <table border="1"> <thead> <tr> <th><u>NAME</u></th> <th><u>TITLE</u></th> <th><u>HOURLY RATE</u></th> <th><u>ESTIMATED # OF HOURS</u></th> </tr> </thead> <tbody> <tr> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> </tbody> </table>	<u>NAME</u>	<u>TITLE</u>	<u>HOURLY RATE</u>	<u>ESTIMATED # OF HOURS</u>	_____	_____	_____	_____	_____	_____	_____	_____
<u>NAME</u>	<u>TITLE</u>	<u>HOURLY RATE</u>	<u>ESTIMATED # OF HOURS</u>										
_____	_____	_____	_____										
_____	_____	_____	_____										
12	<p>CONSULTANT AND/OR EXPERT WITNESS: * Identify the consultant's and/or expert's specialization and the hourly rate to be charged.</p> <table border="1"> <thead> <tr> <th><u>NAME</u></th> <th><u>SPECIALITY</u></th> <th><u>HOURLY RATE</u></th> <th><u>ESTIMATED # OF HOURS</u></th> </tr> </thead> <tbody> <tr> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>_____</td> <td>_____</td> <td>_____</td> <td>_____</td> </tr> </tbody> </table>	<u>NAME</u>	<u>SPECIALITY</u>	<u>HOURLY RATE</u>	<u>ESTIMATED # OF HOURS</u>	_____	_____	_____	_____	_____	_____	_____	_____
<u>NAME</u>	<u>SPECIALITY</u>	<u>HOURLY RATE</u>	<u>ESTIMATED # OF HOURS</u>										
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13	INITIAL COST ESTIMATE: * Projected budget, including attorney fees and expenses, for handling Case File through each of the following stages:							
	<i>[Please base this estimate on past experience with similar Case(s)] File(s)</i>							
		<u>TOTAL COST</u>	<u>FY #1</u>	<u>FY #2</u>	<u>FY #3</u>	<u>FY #4</u>	<u>FY #5</u>	<u>FY #6</u>
	PLEADINGS	_____	_____	_____	_____	_____	_____	_____
	DISCOVERY	_____	_____	_____	_____	_____	_____	_____
	PRETRIAL CONFERENCE(S)	_____	_____	_____	_____	_____	_____	_____
	ARBITRATION	_____	_____	_____	_____	_____	_____	_____
	TRIAL	_____	_____	_____	_____	_____	_____	_____
TOTAL COSTS (fees and expenses)		_____	_____	_____	_____	_____	_____	_____
ESTIMATED FINAL DISPOSITION DATE: _____								

\* Attach additional page(s) if more space is needed.

APPROVED BY: \_\_\_\_\_ DATE: \_\_\_\_\_  
(Firms Supervising Attorney)

COMMENTS: \_\_\_\_\_

\_\_\_\_\_

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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**PART E / EXHIBIT 9**

**CASE STATUS REPORT**

Page 1 of 2

*(to be completed by firm's supervising attorney)*

FIRM NAME:			
CASE FILE NAME: _____			COUNTY COUNSEL DOCKET #:
COURT #:			
INCIDENT DATE:	CLAIM DATE:	CLAIM DENIED DATE:	COMPLAINT FILED DATE:
COUNTY PRIORITY LEVEL DESIGNATION (circle if changed from previous report): <input type="checkbox"/> LEVEL I <input type="checkbox"/> LEVEL II <input type="checkbox"/> LEVEL III			
STATUS OF DISCOVERY (since last status report) List depositions taken: *  _____ _____			
INTERROGATORIES SENT/RECEIVED: *  _____			
REQUESTS FOR MEDICAL EXAMS: *  _____ _____			
STATUS OF EXPERT WITNESS/CONSULTANT INVESTIGATIONS: *  _____ _____			
RESULTS OF MOTIONS (describe all motions and indicate outcome): *  _____			
SIGNIFICANT DEVELOPMENTS WHICH MAY INCREASE OR DECREASE COUNTY'S EXPOSURE/LIABILITY: *  _____			

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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RECOMMENDED CASE(s) STRATEGY (state clearly changes from previously agreed-to strategy): \*

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**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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**PART E / EXHIBIT 9**

**CASE STATUS REPORT**

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SIGNIFICANT EVENTS:

TRIAL SETTING CONFERENCE DATE:	ARBITRATION DATE:	VOLUNTARY SETTLEMENT CONFERENCE DATE:								
MANDATORY SETTLEMENT CONFERENCE DATE:	DEPARTMENT:	CHECK ONE: <input type="checkbox"/> JURY <input type="checkbox"/> NON-JURY								
<table><thead><tr><th><u><b>COSTS</b></u></th><th><u><b>TOTAL EXPENDED TO DATE</b></u></th></tr></thead><tbody><tr><td>ATTORNEY FEES</td><td>\$ _____</td></tr><tr><td>EXPENSES</td><td>\$ _____</td></tr><tr><td><b>TOTAL COSTS</b> <b>(atty fees &amp; expenses)</b> <b>EXPENDED TO DATE:</b></td><td>\$ _____</td></tr></tbody></table>		<u><b>COSTS</b></u>	<u><b>TOTAL EXPENDED TO DATE</b></u>	ATTORNEY FEES	\$ _____	EXPENSES	\$ _____	<b>TOTAL COSTS</b> <b>(atty fees &amp; expenses)</b> <b>EXPENDED TO DATE:</b>	\$ _____	TOTAL INITIAL COST ESTIMATE \$ _____  PERCENTAGE OF INITIAL COST ESTIMATE EXPENDED TO DATE _____ %
<u><b>COSTS</b></u>	<u><b>TOTAL EXPENDED TO DATE</b></u>									
ATTORNEY FEES	\$ _____									
EXPENSES	\$ _____									
<b>TOTAL COSTS</b> <b>(atty fees &amp; expenses)</b> <b>EXPENDED TO DATE:</b>	\$ _____									

APPROVED BY: \_\_\_\_\_  
(FIRM'S SUPERVISING ATTORNEY)

DATE: \_\_\_\_\_

RECEIVED/APPROVED BY: \_\_\_\_\_  
(COUNTY'S SUPERVISING ATTORNEY)

DATE: \_\_\_\_\_

COMMENTS: \_\_\_\_\_

LAST MEETING WITH FIRM: \_\_\_\_\_

NEXT MEETING WITH FIRM: \_\_\_\_\_

\* Attach additional page(s) if more space is needed.

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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**PART E / EXHIBIT 9**

**CASE STATUS UPDATE REPORT**

<b>1</b>	FIRM NAME:	
	CASE FILE NAME: _____	COUNTY COUNSEL DOCKET #:
	COURT #:	
	COUNTY PRIORITY LEVEL DESIGNATION (circle if changed from previous report): <input type="checkbox"/> LEVEL I <input type="checkbox"/> LEVEL II <input type="checkbox"/> LEVEL III	
<b>2</b>	DATE OF LAST REPORT (Case Evaluation & Plan, or Case Status Report):	
	CASE STRATEGY RECOMMENDED IN THAT REPORT: * _____	
<b>3</b>	SIGNIFICANT DEVELOPMENT/EVENTS SINCE LAST REPORT, with dates as applicable: * _____	
<b>4</b>	IMPACT OF THESE SIGNIFICANT DEVELOPMENTS/EVENTS ON COUNTY'S EXPOSURE/LIABILITY: * _____	
<b>5</b>	REVISED CASE STRATEGY: * _____	
<b>6</b>	IMPACT OF REVISED CASE STRATEGY ON PROJECTED BUDGET: * _____	

APPROVED BY: \_\_\_\_\_  
(FIRM'S SUPERVISING ATTORNEY)

DATE: \_\_\_\_\_

RECEIVED/APPROVED BY: \_\_\_\_\_  
(COUNTY'S SUPERVISING ATTORNEY)

DATE: \_\_\_\_\_

COMMENTS: \_\_\_\_\_

\* Attach additional page(s) if more space is needed.

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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PART E / EXHIBIT 10

**COUNTY'S PRIORITY RATING SYSTEM**

ASSIGNED LEVEL	CRITERIA FOR ASSIGNED LEVEL	REPORTING REQUIREMENTS
<b>I</b>	<p>Case File has a liability exposure exceeding \$1,000,000 (one-million dollars)</p> <p><u>or</u></p> <p>Projected total defense costs exceeding over \$300,000 (three-hundred-thousand dollars)</p> <p><u>or</u></p> <p>Is sensitive or precedent setting</p>	<p><b>Monthly</b></p> <p>Case Status Reports are due the first of each month after County approves the <u>Case Evaluation and Plan</u></p>
<b>II</b>	<p>Case File has liability exposure exceeding \$500,000 (five-hundred-thousand dollars) but less than 1 million dollars</p> <p><u>or</u></p> <p>Projected total defense costs exceeding \$100,000 (one-hundred-thousand dollars), but less than \$300,000 (three-hundred-thousand dollars)</p> <p><u>and</u></p> <p>Case File is neither sensitive or precedent-setting</p>	<p><b>Quarterly</b></p> <p>Case Status Reports are due every 90 calendar days after County approves the <u>Case Evaluation and Plan</u></p>
<b>III</b>	<p>Case File has a liability exposure under \$500,000 (five-hundred-thousand dollars)</p> <p><u>and</u></p> <p>Projected total defense costs less than \$100,000 (one-hundred-thousand dollars)</p> <p><u>and</u></p> <p>Case File is neither sensitive or precedent-setting</p>	<p><b>Semi-Annually</b></p> <p>Case Status Reports are due every 180 calendar days after County approves the <u>Case Evaluation and Plan</u></p>

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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PART E / EXHIBIT 11

**RiskVisionNET™  
Risk Management Information System**

# **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

**PART E / EXHIBIT 12**

## **CONTRACTOR REPORTS**

The following list are those reports that are expected to be “**generated manually**” by the new Contractor under this contract.

<b>REPORT NAME</b>	<b>DESCRIPTION</b>	<b>TYPE</b>	<b>FREQUENCY</b>
1. Trial Calendar/ Financial Status Report	List of arbitration, MSC, and trial dates with attached financial reports on cases over \$50,000.	Claims/Financial	Monthly
2. Location Code Change Report	List of cases where department location code changed during the month.	Claims/Financial	Monthly
3. Assignment of Cases Report	List of cases assigned to law firms during month and the firms assigned.	Claims/Financial	Monthly
4. Outstanding Claims/Reserves Report	Summary of total outstanding cases as of the end of each month by general and auto liability with the appropriate outstanding reserves for each. Summary total included.	Claims	Monthly
5. Closing/ Settlement Report	Notification of case closing and details of settlement.	Claims/Financial	Upon closure of file and as needed
6. Caseload Summary	List of all supervisors and adjusters and their current caseload by auto and general category.	Claims	Monthly
7. Major Case Report	List of all cases over \$100,000 broken down by funding source and case type along with financial projections for three fiscal years.	Claims/Financial	Monthly
8. Case Status Report	Periodic report on an open, active file outlining the current status of the cases.	Claims	Every 60/90 days on all open files and as needed
9. Financial Status Report	Report on current financial status of case along with case summary.	Financial	As required
10. Budget Status Report (Estimated Actual)	Status report on all cases over \$100,000 and those cases budged for the fiscal year.	Financial	Monthly
11. Subrogation Summary Report	Summary of subrogation files and their status and funds collected.	Financial	Monthly

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
LEGAL DEFENSE MANAGEMENT SERVICES**

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REPORT NAME	DESCRIPTION	TYPE	FREQUENCY
12. Report on Subrogation Case Assignments to Sheriff's Department	Report to Sheriff Department of possible subrogation cases.	Claims	Monthly
13. MSC, Arbitration, and Trial Report	Pre and post MSC, arbitration and trial reports.	Claims	As required
14. Authority Request	Request and report for settlement authority.	Claims	As required
15. Replenishment Request	Request for funding for indemnity and fees/costs.	Claims	As required

# **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

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PART E / EXHIBIT 13

## **DEFINITIONS OF TERMS**

**Ad Hoc Report:** Those reports generated at the request of the County Contract Administrator, County Counsel, or Department Liaison on a one-time, informal and improvised basis. These reports generally arise in response to inquiries from the Board of Supervisors or events of such significance that information is needed on an expedited basis.

**Allegation:** An assertion, claim declaration or statement of a party to an incident(s) which merits investigation, administration, and/or management by Contractor, as determined by Contractor, or County.

**Allocated Expenses:** All expenses including legal defense fees and excluding contractor services fees incurred in connection with the investigation, adjustment, settlement negotiations or defense of claims or lawsuits. These include, but are not limited to, process service, expert/witness fees, surveillance, consultant fees, appraisal fees, forensic services, jury and court costs, record copying fees, court reporter fees, transcription costs and other costs necessary to effectively defend County, and any other expenses specifically authorized by County. "Allocated Expenses" are not included in the fee paid to Contractor.

**Analysis and Plan:** Supports the contentions, legal analysis, conclusions, and reasons for the legal defense panel member's recommendations.

**Bank Account:** A checking account, established by Contractor, at a bank of County's choice, to exclusively pay for authorized indemnity, legal defense fees, and Allocated Expenses associated with cases assigned to Contractor.

**Case File:** A document repository which may include but is not limited to incident reports, claims and lawsuits, established by Contractor for investigation, administration, management, and audit of a case.

**Case File Receipt Date:** The date Contractor receives a claim or lawsuit, or an incident report that indicates County liability, which merits opening an Case File.

**Claim:** A document submitted by a third-party in accordance with statutory requirements, and alleging personal injury, bodily injury, property damage, or other losses sustained due to the acts or omissions of County, its employees, officers or agents.

**Claims Specialist:** An employee of Contractor who manages Case Files arising from incidents, claims, and lawsuits and coordinates the legal defense of lawsuits. Claims Specialists attend settlement conferences and meetings and generally oversee the Case File.

## **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

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Commercial Annuity: A contract purchased from an insurance company that provides deferred payments to a recipient.

Companion Case File(s): An Case File for a separate County Department/facility which arises from the same incident, series of incidents, claim, or lawsuit as another Case File.

Concurrence: An agreement to or union in an action or settlement.

Contract Start Date: The date that Contractor begins work (the start of the basic terms of the contract).

Contract Year: The first contract year begins the date contract term begins and continues for the following twelve (12) months. Each succeeding contract year begins the day after the day the preceding contract year ends and continues for the next twelve (12) months.

Corrective Action Plan: The Corrective Action Plan is the County Department's response to an incident, claim, or lawsuit, which addresses the root-cause of the occurrence of the event, and implements solutions designed to prevent the reoccurrence of a same or similar incident.

County Contract Administrator: The County's Contract Administrator (CCA) is the Chief of Risk Management Operations in the Los Angeles County's Chief Administrative Office (CAO), or his duly authorized designee. The CCA is the designated agent of County for the purposes of administering the County's self-insured **Automobile and General Liability Claims Administration and Legal Defense Management Services program**.

County Risk Manager: The Risk Manager for the County is the Assistant Administrative Officer over the County's CAO Risk Management Branch, or his duly authorized designee.

County Risk Management: County's CAO Risk Management Branch.

County Fiscal Year: A twelve (12) month period beginning July 1, and ending the following June 30.

Damage(s): Claimed compensation or indemnity resulting from the loss of, detriment or injury to a person, property or rights.

Defense Counsel Evaluation: A case evaluation done by the assigned Legal Defense Panel Member, of the pleadings, discovery, reports, other documents.

Early Investigation: Contractor-initiated activity resulting from the decision to set up an Case File or the immediate recognition of extraordinary case circumstances. Such activities shall include, but not be limited to, immediate contact with those employees, witnesses, and individuals having any involvement in, or knowledge about, an incident.

## **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

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Factor of Settlement: The specific act or omission, breach of a duty of care, or statutory violation, committed by County, its officers, employees, or agents within the course and scope of their employment, and which is alleged to be a cause of claimant's / plaintiff's injuries.

Hold Harmless Agreement: A contractual agreement between County, and vendors, subcontractors, or other third parties, which specifically addresses responsibility for and allocation of responsibility, including, but not limited to, defense and indemnification.

Incident: An occurrence in which a third-party(ies) alleges to, or may have sustained personal injury, bodily injury, property damage or other losses arising from or connected with acts or omissions of County, its employees, officers or agents, or any dangerous condition of County property as defined in Government Code Section 830, et seq.

Incident Report/ Event Notification: A written or telephonic report from County to Contractor regarding an incident.

Investigation: The process of determining the facts, determining liability, and obtaining and preserving evidence.

Lawsuit: A legal action filed with a civil court by a third-party(ies) in accordance with statutory requirements, and alleging personal injury, bodily injury, property damage, or other losses sustained due to the acts or omissions of County, its employees, officers or agents.

Legal Defense Fees: Fees charged by legal defense firms for legal services provided on County assigned claims and lawsuits.

Legal Defense Panel: A panel of legal defense firms that have contracted with County to provide legal representation services.

Litigation Management: Litigation management by a third party administrator is the process of investigating, managing, monitoring, resolving, and reporting on all litigated Case Files, which includes the supervision of County's Legal Defense Panel Members with attention to the reduction of litigation costs (See Part B, Section 6, "Litigation Management").

## **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

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Quality Assurance Evaluator (QAE): The Quality Assurance Evaluator is a County employee designated as an agent for County responsible for monitoring Contractor's performance, approving payments, advising and training third party administrator staff in County systems and other County procedures.

Quality Assurance Monitoring Plan (QAMP) County may use a variety of methods to evaluate Contractor's performance. The methods that may be used are identified, but are not limited to those included in Part E, Exhibit 6. Also see Part E, Exhibit 5, ***Current Audit Form for Evaluating Selected Claim Files***.

Quality Control Plan: All measures taken by Contractor to assure that the quality of an end product or service will meet the contract requirements regarding timeliness, accuracy, completeness, consistency, and conformity.

Random Sample: A sampling method where each service output has an equal chance of being selected.

Reserve: Realistic estimate of the final amount that will be paid on an Case File, excluding contractor fees. The County's practice is to encumber funds on an annual basis for losses expected to be paid during the fiscal year. The final amount represents the most accurate professional assessment of a case outcome given current knowledge of the facts of the allegation and of applicable law. There are two types of reserve estimates set on every Case File, Indemnity and Expense. (See Part B, Section 3.4)

- Indemnity Reserve: The best estimate of the amount that finally will be paid by County to compensate claimants and/or plaintiffs for damages, including their attorney's fees and costs.
- Expense Reserve: The best estimate of Allocated Expenses, including fees and other costs that will be paid by County to defense attorneys and other parties to defend Case Files

Risk Management Information System (RMIS): County's risk management and claims administration information management system with ad hoc reporting capabilities, which supports contractor and County claims administration, financial, statistical and loss prevention functions.

Round Table Meetings: Meetings chaired by County Counsel, to discuss issues related to specific Case Files, to reach consensus on the litigation strategy, and which includes participation by Contractor, Legal Defense Panel members, County Department representatives, and facility personnel.

## **RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND LEGAL DEFENSE MANAGEMENT SERVICES**

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Severe Injury: Injury sustained by a third-party(s) that could result in significant indemnity and legal costs to County. Such injury includes but is not limited to brain damage, spinal cord injury, total or partial loss of a limb, loss or impairment of sensory or reproduction organs, burns, substantial disfigurement and death.

Structured Settlement: Any settlement in which a portion of the payment or payments to the plaintiff is deferred to the future.

Tail Claim: An open claim or a legitimately and properly closed claim which subsequently must be re-opened for a period of some time for adjusting services. Costs of assuming tail claims are included in Fixed Rate.

Task Rate Services: Contractor provided services as required in Part B, Section 18, Statement of Work. Contractor will be paid a set Task Rate for the time needed to provide these services.

Timeline: A comprehensive, succinct, written chronology which sets forth the facts of the case as they occur. Timelines are initiated by Contractor using **CaseMap**, or other technologically comparable software approved by County Counsel, and are updated by Legal Defense Panel member(s).

User Complaint Report: The report submitted by an individual or group of individuals to record discrepancies or problems with Contractor's performance. Contractor may be required to respond to a User Complaint Report and may be part of a Contract Discrepancy Report.

**RFP - AUTO AND GENERAL LIABILITY CLAIMS ADMINISTRATION, AND  
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**PART E / EXHIBIT 14**

**COUNTY'S PROFESSIONAL LEGAL SERVICES AGREEMENT**